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SITTING DAYS—2016

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RADIO BROADCASTS
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- BRISBANE 936AM
- CANBERRA 103.9FM
- DARWIN 102.5FM
- HOBART 747AM
- MELBOURNE 1026AM
- PERTH 585AM
- SYDNEY 630AM

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FORTY-FOURTH PARLIAMENT
FIRST SESSION—EIGHTH PERIOD

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

Senate Office Holders
President—Senator Hon. Stephen Parry
Deputy President and Chair of Committees—Senator Gavin Mark Marshall
Temporary Chairs of Committees—Senators Christopher John Back, Cory Bernardi, Sam Dastyari, Sean Edwards, Alexander McEachian Gallacher, Susan Lines, Deborah Mary O'Neill, Nova Maree Peris OAM, Dean Anthony Smith, Zdenko Matthew Seselja, Glenn Sterle, Peter Stuart Whish-Wilson and John Reginald Williams
Leader of the Government in the Senate—Senator Hon. George Henry Brandis QC
Deputy Leader of the Government in the Senate—Senator Hon. Mathias Cormann
Leader of the Opposition in the Senate—Senator Hon. Penny Wong
Deputy Leader of the Opposition in the Senate—Senator Hon. Stephen Conroy
Manager of Government Business in the Senate—Senator Hon. Mitchell Peter Fifield
Manager of Opposition Business in the Senate—Senator Claire Moore

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

Printed by authority of the Senate
# Members of the Senate

<table>
<thead>
<tr>
<th>Senator</th>
<th>State or Territory</th>
<th>Term expires</th>
<th>Party</th>
</tr>
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<tbody>
<tr>
<td>Abetz, Hon. Eric</td>
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<td>30.6.2017</td>
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<td>Back, Christopher John</td>
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<td>Bernardi, Cory</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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</table>

(1) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice R. Carr), pursuant to section 15 of the Constitution.
(2) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice J Faulkner), pursuant to section 15 of the Constitution.
(3) Chosen by the Australian Capital Territory Legislative Assembly to fill a casual vacancy (vice K. Lundy), pursuant to section 15 of the Constitution.
(4) Chosen by the Parliament of Queensland to fill a casual vacancy (vice B. Mason), pursuant to section 15 of the Constitution.
(5) Chosen by the Parliament of Tasmania to fill a casual vacancy (vice C. Milne), pursuant to section 15 of the Constitution.
(6) Chosen by the Parliament of South Australia to fill a casual vacancy (vice P Wright), pursuant to section 15 of the Constitution.
(7) Chosen by the Parliament of Victoria to fill a casual vacancy (vice M Ronaldson), pursuant to section 15 of the Constitution.
(8) Vacancy created by the resignation of Senator Bullock.
PARTY ABBREVIATIONS

AG—Australian Greens; ALP—Australian Labor Party;
AMEP—Australian Motoring Enthusiast Party; CLP—Country Liberal Party;
FFP—Family First Party; IND—Independent, LDP—Liberal Democratic Party;
LNP—Liberal National Party; LP—Liberal Party of Australia;
NATS—The Nationals; PUP—Palmer United Party

Heads of Parliamentary Departments

Clerk of the Senate—R Laing
Clerk of the House of Representatives—D Elder
Secretary, Department of Parliamentary Services—R Stefanic
Parliamentary Budget Officer—P Bowen
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<th>Title</th>
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<tr>
<td>Prime Minister</td>
<td>The Hon Malcolm Turnbull MP</td>
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<tr>
<td>Minister for Indigenous Affairs</td>
<td>Senator the Hon Nigel Scullion</td>
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<tr>
<td>Minister for Women</td>
<td>Senator the Hon Michaelia Cash</td>
</tr>
<tr>
<td>Cabinet Secretary</td>
<td>Senator the Hon Arthur Sinodinos AO</td>
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<tr>
<td>Minister Assisting the Prime Minister for the Public Service</td>
<td>The Hon Michaelia Cash</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for Counter-Terrorism</td>
<td>The Hon Michael Keenan MP</td>
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<tr>
<td>Assistant Minister to the Prime Minister</td>
<td>Senator the Hon James McGrath</td>
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<tr>
<td>Assistant Minister for Cities and Digital Transformation</td>
<td>The Hon Angus Taylor MP</td>
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<tr>
<td>Assistant Cabinet Secretary</td>
<td>The Hon Dr Peter Hendy MP</td>
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<tr>
<td>Deputy Prime Minister and Minister for Agriculture and Water Resources</td>
<td>The Hon Barnaby Joyce MP</td>
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<tr>
<td>Assistant Minister for Agriculture and Water Resources</td>
<td>Senator the Hon Anne Ruston</td>
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<tr>
<td>Assistant Minister to the Deputy Prime Minister</td>
<td>The Hon Keith Pitt MP</td>
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<tr>
<td>Minister for Foreign Affairs</td>
<td>The Hon Julie Bishop MP</td>
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<tr>
<td>Minister for Trade and Investment</td>
<td>The Hon Steve Ciobo MP</td>
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<tr>
<td>Minister for International Development and the Pacific</td>
<td>Senator the Hon Concetta Fierravanti-Wells</td>
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<tr>
<td>Minister for Tourism and International Education</td>
<td>Senator the Hon Richard Colbeck</td>
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<tr>
<td>Attorney-General</td>
<td>Senator the Hon George Brandis QC</td>
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<tr>
<td>(Vice-President of the Executive Council)</td>
<td>The Hon Michael Keenan MP</td>
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<tr>
<td>(Leader of the Government in the Senate)</td>
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<tr>
<td>Minister for Justice</td>
<td>The Hon Michael Keenan MP</td>
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<tr>
<td>Treasurer</td>
<td>The Hon Scott Morrison MP</td>
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<tr>
<td>Minister for Small Business</td>
<td>The Hon Kelly O’Dwyer MP</td>
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<td>(Deputy Leader of Government in the Senate)</td>
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<td>Special Minister of State</td>
<td>The Hon Dr Peter Hendy MP</td>
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<td>Minister for Regional Development</td>
<td>Senator the Hon Fiona Nash</td>
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<tr>
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<td>The Hon Darren Chester MP</td>
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<tr>
<td>(Deputy Leader of the House)</td>
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<tr>
<td>Minister for Major Projects, Territories and Local Government</td>
<td>The Hon Paul Fletcher MP</td>
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<tr>
<td>Minister for Industry, Innovation and Science</td>
<td>The Hon Christopher Pyne MP</td>
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<td>Minister for Resources, Energy and Northern Australia</td>
<td>The Hon Josh Frydenberg MP</td>
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<tr>
<td>Minister for Health</td>
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<tr>
<td>Minister for Aged Care</td>
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<td>The Hon Dan Tehan MP</td>
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<td>Senator the Hon Mitch Fifield</td>
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<tr>
<td>Minister for the Arts</td>
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* Senator Katy Gallagher’s appointment to the Shadow Ministry is effective from 1 November 2015. Senator the Hon. Jan McLucas will serve as Shadow Minister for Housing and Homelessness and Shadow Minister for Mental Health, and represent the Shadow Minister for Northern Australia, the Shadow Minister for Health, the Shadow Assistant Minister for Health, the Shadow Minister for Sport and the Shadow Minister for Indigenous Affairs in the Senate until 31 October 2015.
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2016
SECOND SESSION OF THE FORTY-FOURTH PARLIAMENT
(FIRST PERIOD)

The Senate, on 17 March 2016, adjourned until 10 May 2016 at 12.30 pm. By proclamation, the Forty-Fourth Parliament was prorogued by His Excellency the Governor-General on 15 April 2016, until 18 April 2016 at 9.30 am. The Second Session commenced on that day.

Monday, 18 April 2016
OPENING OF THE SESSION

The Senate met at 09:30, pursuant to the proclamation of His Excellency the Governor-General.

The PRESIDENT (Senator Parry) took the chair.

The Clerk read the proclamation.

PARLIAMENTARY REPRESENTATION

Western Australia

The PRESIDENT (Senator Parry) (09:31): I inform the Senate that I have received a letter from Senator Bullock resigning his place as a senator for the state of Western Australia.

Pursuant to the provisions of section 21 of the Constitution, I have notified the Governor of Western Australia of the vacancy in the representation of that state caused by the resignation.

I table the letter and a copy of my letter to the Governor of Western Australia.

GOVERNOR-GENERAL’S SPEECH

His Excellency the Governor-General entered the chamber and, being seated, with the President on his right hand, commanded that a message be sent to the House of Representatives intimating that His Excellency desired the attendance of honourable members in the Senate chamber.

Honourable members having come with their Speaker, His Excellency was pleased to deliver the following speech:

Honourable senators and members:

The standing orders of both houses of the parliament provide, when parliament is recalled to a new session following prorogation, that I declare the cause of calling the parliament together.

The cause for which I have recalled the parliament is to enable it and, in particular, the Senate to give full and timely consideration to two important parcels of industrial legislation—the bills to provide for the re-establishment of the Australian Building and
Construction Commission, and the bill to improve the governance and transparency of registered organisations.

These bills are critical to my government's reform agenda.

In the Governor-General's speech opening the first session of this parliament, on 12 November 2013, my predecessor, Dame Quentin Bryce, said:

As part of [my Government's] commitment to boost productivity, the Australian Building and Construction Commission will be restored to ensure that, on commercial building sites, the rule of law is respected, productivity is improved, jobs are created and major national construction projects are kept on track.

Her Excellency went on to say:

The law will be changed so that registered organisations and their officials are held to the same rules and standards as companies and their directors.

In the two years and five months since my predecessor opened the first session of this parliament with those words, the House of Representatives has twice passed bills to restore the Australian Building and Construction Commission. These bills have been rejected by the Senate on one occasion, and have again been before the Senate since 4 February this year. Yet they have not been debated since then. Instead, they were referred, for the third time, to a Senate committee for inquiry and report.

In the same time, the House of Representatives has three times passed legislation to give effect to the commitment on registered organisations. This legislation has been three times rejected by the Senate.

I have, on the advice of my ministers, recalled you so that these bills can be considered again, and their fate decided without further delay.

My government regards these measures as essential for the rule of law in our workplaces.

My government also regards these measures as crucial to its economic plan for promoting jobs and growth, and managing the transition of our economy from one reliant on the mining construction boom to a more diversified economy.

That economic plan for jobs, growth, saving and investment will also be reflected in the budget which the Treasurer will introduce on 3 May, building on initiatives to promote innovation, investment, infrastructure, and access to markets in the Asia-Pacific region and beyond.

Honourable senators and members, as I declare open this new session of the parliament, you are called together to conclude your consideration of the Australian Building and Construction Commission and registered organisations bills.

I leave you to your important deliberations.

His Excellency the Governor-General and members of the House of Representatives retired—

The PRESIDENT (09:45): Order! The sitting of the Senate will be suspended for approximately one half of an hour and will resume at the ringing of the bells.

Proceedings suspended from 09:45 to 10:15

The PRESIDENT (Senator the Hon. Stephen Parry) read prayers and made an acknowledgement of country.
DOCUMENTS
Tabling
The Clerk: Documents are tabled pursuant to statute. Details will be recorded in the Journals of the Senate and on the Dynamic Red.
Details of the documents also appear at the end of today’s Hansard.

COMMITTEES
Corporations and Financial Services Committee
Legal and Constitutional Affairs References Committee
Meeting
The Clerk: A notification has been lodged for the Corporations and Financial Services Committee to hold a private meeting during the sitting of the Senate on 19 April from 3.30 pm. A notification has been lodged for the Legal and Constitutional Affairs References Committee to hold a public hearing during the sitting of the Senate on 20 April from 9.30 am.

The PRESIDENT (10:16): Does any senator wish to have the question put on those two motions? There being none, we will proceed to business.

GOVERNOR-GENERAL’S SPEECH
The PRESIDENT (10:16): I inform the Senate that I have received a copy of the opening speech which His Excellency the Governor-General was pleased to deliver to both houses of the parliament.

Address-in-Reply
Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (10:16): I move:

That the following address in reply be agreed to.

To His Excellency the Governor-General

MAY IT PLEASE YOUR EXCELLENCY—
We, the Senate of the Commonwealth of Australia in Parliament assembled, desire to express our loyalty to our Most Gracious Sovereign and to thank Your Excellency for the speech which you have been pleased to address to Parliament.
This is the 29th time in history that a new session of parliament has been called after the parliament was prorogued. As His Excellency has just told us, the reason for recalling the parliament:
… is to enable it and, in particular, the Senate to give full and timely consideration to two important parcels of industrial legislation—the bills to provide for the re-establishment of the Australian Building and Construction Commission, and the bill to improve the governance and transparency of registered organisations.
As the Governor-General also said, the government regards these measures as crucial to its economic plan for promoting jobs and growth, and managing the transition of our economy from one reliant on the mining construction boom to a more diversified economy.
The ABCC bills again aim to do what the coalition promised before the last election—to re-establish the Australian Building and Construction Commission as a guardian of the rule of law, which not one but two royal commissions have now recommended as a necessary response to the lawlessness and thuggery that is endemic in the construction sector. Dozens of Federal Court cases support this view. The government's first attempt to re-establish the ABCC was defeated in this Senate on 17 August 2015. As the Governor-General reminded us, the ABCC bills had been foreshadowed in Dame Quentin Bryce's speech opening the new parliament in November 2013. They were originally introduced in the House of Representatives on 14 November 2013, and on the same day referred by this Senate to the Education and Employment Legislation Committee, with the opposition giving notice that same day that they would seek to refer them also to the Education and Employment References Committee, which was done as soon as the legislation committee report was received in December 2013. All of this produced months of needless delay, making clear that the Senate would refuse to pass these bills despite the government's mandate. The bills were also considered by the Scrutiny of Bills Committee and the Parliamentary Joint Committee on Human Rights. With the change in the composition of the Senate, the government worked to seek to secure the support of new senators, but, as I have said, the Senate rejected those bills on 17 August last year.

The report of the trade union royal commission, they Heydon inquiry, was released in December last year. It identified overwhelming evidence that the systemic corruption and unlawful conduct of the CFMEU and some others in the building and construction sector required a specialist regulator in the sector, with strong powers and penalties. Many, many court cases provide further evidence of the need. So the bills to re-establish the ABCC were again passed by the House of Representatives in the first sitting week of this year and were introduced in the Senate on the same day—4 February. They had already been referred to yet another legislation committee inquiry into the same bills as those which had been previously referred to the same committee, with a late reporting date which was a delaying tactic to thwart the passage of the legislation.

Let me make two key points about the history of the bills. Firstly, there was a very striking overlap of submissions and witnesses between the 2016 committee inquiry and the 2013 and 2014 inquiries. In the public hearings this year, no group gave evidence which had not given evidence in the public hearings in 2013 or 2014. The reason is simple: it was the third inquiry into an identical bill, and essentially the same parties appeared before the same committee to say the very same things. Secondly, the decision of the Senate on 4 February this year to refer the identical bills to a further inquiry reporting on Tuesday, 15 March was clearly designed to have the effect—given the Senate routine of business as set out in the standing orders and the sitting calendar in its then form—that it would have been impossible in practice for the Senate to debate and decide on the ABCC bills prior to the government's last opportunity to refer them to the people, as the Constitution provides, in a double dissolution.

The Constitution provides that if there is deadlock between the two Houses on bills, this can be resolved by referring the matter to the people at a double dissolution election. But, given the 15 March reporting date set by the Senate, the only way that the Senate could in reality have had the time to debate and decide on these bills was by bringing the Senate back earlier than had been previously scheduled. This is what has now been done, in accordance
with section 5 of the Constitution. And so, with the prorogation and the recall of the parliament, the time has come for the Senate to procrastinate no longer, to delay no longer and to come to a conclusion on these bills. It is for the Senate now to get on with the job of considering the bills without further unreasonable delay or excuses for avoiding deliberation.

The building and construction industry employs over a million Australians and represents around eight per cent of GDP. It is, therefore, one of the largest sectors of the economy and one of the largest sources of employment in this country. Ensuring an efficient and law-abiding building and construction sector is crucial for promoting jobs and growth, and is an important part of managing the transition of the economy from the mining boom to a more diversified economy—the central challenge of our economic policy today. These bills are about improving productivity. They will create jobs. They are about creating opportunities, protecting the tens of thousands of small businesses who employ so many people, and reducing the number of days work needlessly lost.

Upholding the rule of law will enable building projects to be delivered on time and on budget, with cost savings for consumers and for taxpayers—taxpayers who rightly expect value for money in building schools, hospitals, roads, rail, airports and more. This is crucial at a time when the government is spending tens of billions of dollars on infrastructure construction around Australia—building our future.

Upholding the rule of law in the building and construction sector is about enabling the million or so Australians who work in that sector to go to work free of intimidation and thuggery—conduct that was exposed by the Cole royal commission, was exposed again by the Heydon royal commission and has been exposed time and time and time again by Federal Court proceedings.

Let me turn then to the registered organisations bill, the core purpose of which is to ensure that unions and employer organisations have similar rules of transparency and accountability as those which apply to corporations. Why? Because there is no difference between a dodgy company director ripping off shareholders and a dodgy union boss ripping off members—as we have seen in so many cases.

As the Governor-General reminded us, Dame Quentin Bryce said in opening the new parliament in November 2013:

The law will be changed so that registered organisations and their officials are held to the same rules and standards as companies and their directors.

The bills to achieve this have been three times rejected by this Senate—one for the initial bill, and then twice for a near-identical bill—with three committee inquiries along the way. And so the government is now making its fourth attempt to have this Senate create a registered organisations commission to ensure a fair deal for union members and members of other registered organisations.

But members opposite oppose this because they want to protect their friends and paymasters in the trade union movement, just as, to take one notorious example, they protected Craig Thomson, who had ripped off union members in the most appalling ways and who, as we saw two weeks ago, continues to avoid his just punishment. Members opposite time and again protect union bosses and stand in the way of dealing with illegality rather than doing what is in the interests of the workforce and the community as a whole.
Lastly, let me turn to the Road Safety Remuneration Tribunal. There could perhaps be no better example of those opposite putting the interests of union bosses ahead of the interests of Australian workers—ahead of the interests of the community as a whole—than the creation by Mr Shorten of the so-called Road Safety Remuneration Tribunal to use the pretext of road safety to destroy the livelihoods of ordinary Australian mums and dads who are owner-drivers so as to favour the Transport Workers Union.

We have seen the dead hand of the Rudd-Gillard-Rudd governments reach out to damage ordinary Australian owner-drivers and to damage the economy through the payments order made by the so-called Road Safety Remuneration Tribunal. The payments order is right now forcing thousands of these mum and dad small business owners to the wall—these mums and dads who have staked their economic livelihood on buying a truck. Labor's tribunal is punishing these hardworking, decent Australian family businesses simply because they have chosen to operate a small business and not become a member of the Transport Workers Union.

So the government will be moving in this session of the parliament to abolish the RSRT, and we urge senators to support our attempts to do so. If the bill to abolish the RSRT comes to the Senate from the House of Representatives while the Senate is debating the ABCC bills, the government is prepared, subject to the will of the chamber, to adjourn the ABCC debate to allow the RSRT abolition bill to be dealt with straightaway, on the understanding that the chamber would then resume and finish dealing with the ABCC bills.

If the bill to abolish the RSRT does not pass, we will also at least seek to delay the RSRT payments order coming into effect, and after the election we will again try to abolish the RSRT. The RSRT payments order—an order of a Shorten-created tribunal threatening tens of thousands of owner-drivers, their families and the trucking industry more broadly—is yet another reminder of how Labor is nothing more than the agent of a minority interest, union bosses, against the interests of the community and the workforce as a whole.

In considering the bills we are here to consider, the Senate must decide whether it will respect the government's mandate; support or block measures that are a key part of the government's economic plan for jobs and growth; uphold law and order, where many judges and royal commissioners have shown that there is a culture of lawlessness; and be a house of review rather than a house of obstruction.

That is the challenge which His Excellency the Governor-General's speech has squarely placed before the Senate. And that is the challenge which we, and in particular those opposite, must face in coming days.

Senator Cash: Mr President, I second the motion and reserve my right to speak.

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (10:30): I rise to speak today in great sadness at having to witness, yet again, the conservatives crawl into the demolition of our constitutional framework. What we had today is the ghost of 1975 revisited upon us, the long-dead arm of Sir John Kerr, crawling out of his grave to participate in a travesty of democracy in this country. What we saw is a blight on our democracy today.

We have seen a democratically elected Senate's decision overturned by the Queen's representative. That is what is at the heart of why are here today. There is no pretence this is a normal process that has gone on. You just had to look around the chamber today. Where were...
the High Court justices? Where were the heads of our military? Where were the hats of our
diplomatic community? All were told, 'Don't come today'—because it is a political stunt. It is
not a real opening of the parliament. In fact, they were not just told 'Don't come'; but 'Please,
don't come. We don't want to pretend to the Australian public that this is a real proroguing of
the parliament for the purposes that it has been used for traditionally.'

This is an absolute affront. We have seen today a Governor-General overturn the will of
this chamber, a democratically elected chamber. That is what we have seen. We have seen a
tawdry political stunt, and the Governor-General has demeaned his office—

The PRESIDENT: Senator Conroy, I remind you of the provisions of the standing orders,
particularly relating to the Governor-General and the monarch. You are getting very close to
reflecting adversely on His Excellency. I ask you to consider carefully your comments.

Senator CONROY: Thank you, I appreciate the point you made, Mr President. I
appreciate the point you made, because a strong Governor-General would never have agreed
to this.

The PRESIDENT: Senator Conroy, you have deliberately adversely reflected upon the
Governor-General. I ask you not to do that again. You were warned about doing that.

Senator CONROY: I accept your admonishment, Mr President. If the Queen had been
asked to interfere in the British parliament in this way, there is no way on this earth this
would have happened. If the British Queen had been asked to manipulate, for political
advantage of the government of the day—

The PRESIDENT: Order, Senator Conroy!

Government senators interjecting—

Senator CONROY: I am talking about the government.

The PRESIDENT: Order!

Senator Brandis: Mr President, I raise a point of order. Standing order 193(2) provides:
A senator shall not refer to the Queen, the Governor-General or the Governor of a state disrespectfully
in debate, or for the purpose of influencing the Senate in its deliberations.
There are two limbs to that standing order, Mr President, and the senator has violated both.
He has referred disrespectfully to His Excellency the Governor-General not once but on
several occasions and he has also invoked the Queen and the Governor-General for the
purpose of influencing the Senate in its deliberations. This is a serious matter, and the senator
ought to be called firmly to order.

The PRESIDENT: Thank you, Senator Brandis.

Senator CONROY: Mr President, on the point of order, I have made no adverse
reflection on the Queen at all. In fact, I have done the exact opposite. I have not in any way—
I accept your point on the Governor-General; I did not mention the Governor-General, but I
made absolutely no reflection on the Queen at all. I ask you, if you feel that I have, to pull me
up. But I have made no reflection on the Queen.

The PRESIDENT: Thank you, Senator Conroy. The mere fact that you referred to Her
Majesty in the debate—

Opposition senators interjecting—
The PRESIDENT: Order! And, as the standing order does clearly state, it was in a way to potentially influence the debate. You have referred to Her Majesty; you have linked Her Majesty to remarks made by the Governor-General and you have referred to the Governor-General as having possibly a different view to that of Her Majesty. You cannot say those things, and I am stressing that you cannot continue along those lines in relation to talking about Her Majesty and the Governor-General in any way that is going to reflect differences or in any way that is going to reflect adversely on either of those positions. So, Senator Conroy, you have the call. Be very careful about how you continue in relation to the monarch and the Governor-General.

Senator CONROY: As I said, never has the need for a republic been more evident than today. The ghost of Sir John Kerr has crawled and reached out from the grave to interfere in a democratically elected Senate decision. That is just the situation.

I understand why the government are so embarrassed about today. I understand why they told the High Court judges not to come and sit in the boxes. They told the chiefs of Army and Navy and Air Force, 'Don't come today.' They asked the diplomatic corps, 'Don't dress up as you normally do and come to the opening.' I understand why the government have done that. I understand why they are so defensive. I understand they do not want the Australian public to know what the costs of these two sittings are. I understand why they are so sensitive. But, Mr President, despite an enormous expense to the taxpayer, not to mention lost productivity and opportunity costs, this is nothing more than a political stunt by the government, who have dragged the office of the Governor-General into the government's tawdry political manoeuvrings.

The PRESIDENT: Senator Conroy, again you have adversely reflected upon the Governor-General—

Senator CONROY: I am reflecting on the government!

The PRESIDENT: Order! Senator Conroy, you cannot reflect upon the Governor-General by indicating that he has been manipulated by the government. That is definitely adverse. I am warning you, Senator Conroy. I am firmly warning you that you cannot continue down this path.

Senator Wong: Mr President, I raise a point of order. I just want to clarify your ruling, if I may, Mr President. I understood Senator Conroy to have been critical of the government. What you are ruling, if I can be clear about it—because I think it is useful for us to be clear about it—is that a reference to dragging the office into a political debate, you are saying, is manipulation. I would ask you to reflect upon whether that is an accurate interpretation of those words. I think if manipulation had been held, I can understand the ruling the President would make.

Senator Conroy interjecting—

The PRESIDENT: Order, Senator Conroy. Thank you, Senator Wong. I am happy to hear what you say. If we cannot uphold this fundamental basis in this chamber in relation to the Governor-General and, indeed, Her Majesty the Queen, then we are failing. I will stringently uphold this standing order. This is the last bastion of standing orders that we should always defend. I will uphold that. I have warned Senator Conroy, and Senator Conroy now has the call.
Senator CONROY: Since 1961, the parliament has only been prorogued four times, under extraordinary circumstances, and never to set the scene for an election and never to have a manipulation of politics in this way. Never in modern history has a government prorogued the parliament to obtain a political advantage. That is what this government has done. They have prorogued the parliament to obtain a political advantage. In fact, the government have boasted about how they have used the proroguing of parliament to give themselves a political advantage. Even the newspapers are full of it. You cannot have missed those; I am sure that you have not. They have boasted about their clever political manipulation of the parliament by proroguing it. That is without question. If they are called out on it, Mr President, it is fair debate. I accept all of what you have said so far, Mr President, and I appreciate what you have said.

Senator Kim Carr: Another smartie lawyers trick!

Senator CONROY: Yes, exactly. As a result of the proroguing of this parliament, the Prime Minister has cancelled all government business, meaning that Australians will have to wait longer for prospective childcare changes, just to use one example. It means that the Prime Minister has used his position in advising the Governor-General in a way that I would have thought, after 1975, would never happen again.

As we know, the Prime Minister and the government have shown complete political contempt for a democratically elected chamber of this parliament—and for what? So that it can call a double dissolution election just to clear out the crossbenchers; a crossbench that this government is largely incompetent in negotiating with. It is a group of senators that the Prime Minister has labelled 'feral' because they will not be his lap-dogs, because the government want to hide what they are doing from scrutiny. This is a government that has brought down an iron curtain of scrutiny to ensure that Senate committees are treated with contempt; that government senators, where they can get away with it, filibuster their way through scrutiny on committees; and that public servants are bullied and intimidated behind the scenes to not give honest answers—

Senator Lines: Publicly!

Senator CONROY: publicly, as well—and to not give truthful answers to the chamber. This is a government that does not deserve to be re-elected; it does not deserve the trust of the Australian people. Labor rejects the premise on which the Prime Minister has prorogued this parliament. We wholeheartedly reject the Australian Building and Construction Commission bills, along with the registered organisations bill. If the Prime Minister—as he now cries crocodile tears for it—was committed to ensuring these two bills passed the parliament, he would have brought them on for debate in the last sitting period. But we know what the Prime Minister's priority was: he wanted to introduce, with his new best friends the Greens, a rort of Senate voting systems. He wanted to introduce a rort. You will all want to cheer me now; I cannot let this opportunity pass. We are here today for one reason and one reason only, because the Greens voted with the government to give the opportunity for this government to hold a double dissolution.

They mugged you. They took you to the cleaners in the negotiations. They promised you they would not bring the bill on in those two weeks, but they did not mention they were planning on proroguing the parliament, to use a political manipulation to bring it on anyway. They would only do that because they think they will benefit from the new Senate voting
system reform. You have handed them that on a platter, just like we have seen Senator Xenophon fold like a deck of cards on the safe rates bill. You have put this country in the hands of Senator Xenophon and the government after this election. We have seen in the last couple of weeks what a backbone he has when it comes to standing up to the government. It is all on your heads.

This bill is not urgent enough to go through the political manipulation of proroguing of the parliament. It is all about creating a double-dissolution trigger. It has nothing to do with the need to prorogue. This government has so mismanaged itself, it has so mismanaged this chamber and it has been fighting itself behind the scenes so much that it could not get its act together to bring on the bill for debate. We had till September. The normal election is not till September. These bills could have been dealt with many times over, but this government with the help of the Greens in creating a new rorted Senate voting system has seen a political advantage in forcing a double dissolution on this bill.

Senator Wong: Bring it on!

Senator CONROY: Exactly, Senator Wong. 'Bring it on!', we say. The Labor Party is ready to seek a mandate, to seek the support of the Australian public for our agenda, to reject the negative agenda. If the Prime Minister, as I said, was so committed to have these bills pass he had every opportunity.

We have made our position clear. We will not be supporting the ABCC. Those opposite have spent many months claiming that the ABCC will deal with criminal conduct on building sites. There is only one problem. It is a civil regulator and it is not legally allowed to do that. Their own bill does not allow them to deal legally with criminal matters on building sites. It does not do it, but they will say one thing and do another. The absolute hallmark of this government is to say one thing and do another.

Senator Lines: You ignore the facts!

Senator CONROY: There are no facts in this political world we live in; there are only assertions. There is no safety link between pay rates and safety. There is no connection at all. I have seen a press conference with the ATA this morning—I watched it on 7.30 earlier in the week. Those opposite are just telling lies.

Senator Wong interjecting—

Senator CONROY: This government is too afraid to engage in factual debates. It is too afraid to admit that Senator Cormann has presided over the highest taxing and highest spending government, almost, in the history of this country. It is too afraid. You see them go on television and say, 'No, that's not true; we're lower taxing than Labor.' It is like: 'How can you possibly say that? Here's a graph. Here's a statistic. Here's a fact.' They have actually spent more. As I have said repeatedly to Senator Cormann in the chamber, 'You will never preside over a surplus while you are the finance minister, Senator Cormann.' You will never do it. You have actually outspent Senator Wong, the person you criticised as the worst finance minister. That was absolutely untrue then, but you on your own test have failed miserably.

Just like the claim that there is no link between pay rates and deaths on roads, there is a claim that the ABCC does not improve productivity. Let's get to the nub of the facts and some truth—according to the ABS, the ABCC did not improve productivity as is claimed. For more than seven years, productivity increased before the introduction of the ABCC. Productivity
has been higher every year since the abolition of the ABCC in 2012. I have seen the government say black is white on this issue, and I have seen it quote studies discredited by justices. It is not just a political argument—but there is no factual basis for these claims. Please ignore this report! But the government clings to it and uses it as its justification. This is a government that has no agenda for this country; it has no plan for this country; it does not have a clue what it is doing with the budget. One minute it is going to increase taxes for ordinary Australians by making them pay more on the GST; the next minute it wants to give companies tax cuts. Seriously, Mr Turnbull gave the banks a lecture the other day about their behaviour. Do you know what the consequences of his lecture will be if the people of Australia re-elect Mr Turnbull's government? He will give four banks a $9 billion tax cut. That is tough love! My goodness, imagine if he liked them. He says, 'You've got to live within your means.' I would love to live within Malcolm Turnbull's means.

The government then claims the ABCC cut industrial disputes, except that it did not. Apart from an abnormal quarter in September 2012, working days lost per thousand workers to industrial action under the FWBI are lower than they were from the start of the series for the ABCC. So productivity did not improve and industrial disputes did not fall, but do not let facts get in the way of this government. It has no facts to support its case. Cutting safe rates will not lead to more deaths on roads—yes, it will. Even the government's own biased study proved the case for why we should keep the Safe Rates tribunal.

The ABCC does not deal with corruption; it does not lower industrial disputes; it does not lead to more productivity. This is a government that will stoop to make any claim to advance its political interests. We believe the ABCC's powers are extreme, undemocratic and compromise civil liberties. Workers in the building and construction industry deserve better than this.

Similarly, Labor rejects the Fair Work (Registered Organisations) Amendment Bill, which will place higher penalties and a more onerous regime on officers of employer bodies and unions than those imposed on company directors. It is quite extraordinary that the government will attack working people and protect the big end of town at every chance it gets.

If the government gets re-elected do not believe any promise about the GST. The GST is in the DNA of every single Liberal and National sitting on that side of the chamber—it is in their DNA. They can make any promise. They promised last time, 'We won't go back and raise the rates. We won't expand it onto food.' Twenty years later, they are back for more, and it will not end there. They want to use a tax on food to give the four big banks are $9 billion tax cut. That is what they are about. I have a very simple question for the government: why don't you just make corporations in this country actually pay the tax that they should? Why don't you just make them? Very simple choices. This government will tell you black is white. It will mislead you at every stage. In this sitting, as I said, I rise in sadness. This sitting is a farce. The government have manipulated their way to defy a democratic decision of the Senate. (Time expired)

Senator DI NATALE (Victoria—Leader of the Australian Greens) (10:55): I rise to speak to the message delivered to the Senate by the Governor-General. It is extraordinary that we are meeting here today. It is an extraordinary measure to recall the parliament in the way that this government has done. As we have just heard, in the last 55 years parliament has been prorogued for a new session on only four occasions—two of those were to allow the Queen to
open the parliament, another occasion was after the disappearance of Prime Minister Harold Holt in 1967 and in 1969 we had an occasion where prorogation occurred immediately after an election to allow the parliament to sit for a day before Christmas.

So it is extraordinary that we are here today with the express intent to give the government a double dissolution trigger to take us to an election. It highlights that there is nothing conservative about this government. This is indeed a radical decision taken by an extreme government to invoke those extraordinary constitutional powers. This is a radical action taken by an extreme government. The fact that they are willing to go to these extraordinary measures of having the Governor-General recall the Senate and demanding that we pass the Australian Building and Construction Commission bills, tells us that their No. 1 priority is not innovation, it is not bringing us into a new economy, it is not tackling climate change and the loss of the Great Barrier Reef and it is not the jobs that are going because we have inaction in managing that transition to a new economy. Their No. 1 priority is their own survival. That is why we are here today.

Nothing brings the coalition together more than a bit of good old-fashioned union bashing. This is a divided party. It is party where you have a Prime Minister who says he is not prepared to lead a government that is not as committed to climate change as he is, yet he is in Paris spruiking those shameful emissions targets that Tony Abbott took us to. It is a party that is divided on the issue of prejudice and discrimination in marriage. Again, the Prime Minister at least rhetorically said that he is a strong supporter of marriage equality. Yet, what does he do? He goes to his friends, those extremists, those radical right-wingers inside the coalition, and says, 'Yes, we'll conduct an inquiry into a safe schools program'—a program designed to keep young kids safe from bullying in schools. We have the spectre of a royal commission where some members of the coalition are saying, 'We support a royal commission, we support the Greens in their long-held view that this is a scandal and we will cross the floor in order to ensure it happens.' You see, this is done not in the national interest but in the Prime Minister's narrow self-interest. The only way that he can get a mandate from his own party and to bring them together—to bring those extreme elements into the tent—is to engage in a bit of good old-fashioned union bashing, because nothing brings the coalition together like a bit of old fashioned union bashing.

The Prime Minister has lacked the courage to take on those people within his party room. Rather than doing what good prime ministers do, which is to unite the nation, he is taking action to unite his party room but divide the nation—to his great, great shame. That is why he is losing support. That is exactly why he is losing support right now. At one stage he said that John Howard was the Prime Minister who broke the nation's heart. Well, he is the Prime Minister right now who is breaking the nation's heart because he has not got the courage to take on those right-wingers inside his own party room, to take a stand on global warming, to take a stand on ending discrimination in marriage and to take a stand on ending corruption wherever it exists, including within the finance and banking sector.

These bills, the ABCC bills, are not aimed at ending corruption; they are not essential to our economic future as the government suggests; they are just a good old-fashioned attack on the rights of ordinary working people; that is what they are. And there are existing powers, should the government want to use them, to take action against anybody it suspects is engaging in illegal activity. The Attorney-General was absolutely right when he said there is
no difference between a dodgy boss and a dodgy union official. So my question to the Attorney-General is this: why support a royal commission into unions when you will not support one into the banking and finance sector? If both are to be treated equally, why not have a royal commission into both? Otherwise, your words are pure hypocrisy.

We have a government that is stuck in the past; it is fighting the battles of the last century, of bosses versus workers, where it is always going to take the side of the bosses. And people are tired of it. They are tired of the old merry-go-round; the paint is peeling and the music is jaded. They know this is not central to Australia's economic interests. They know that Australia's great challenge right now in the 21st century is to ensure that we start breaking the nexus with the old polluting industries of the past, that old thinking, those old political parties who do not understand that we are in a climate emergency that requires an urgent response and will allow us to take advantage of those economic opportunities that will create jobs and investment for generations to come. How we manage that challenge, not this side show, is the true test of any government.

There have been some big changes over recent decades. We have seen that productivity and prosperity for everyday Australians are no longer linked in the same way they once were. Productivity is increasing off the charts in some areas, yet wage growth remains flat. We saw the rivers of gold flow during the mining and property booms. What did they do? They helped the rich to get richer. We saw big income tax cuts under the Howard government which were biased towards those people with great wealth. As inequality increases, that provides a huge drag on our economy. This is not only a moral issue, a question of justice; it is also an economic issue. If you are worried about economic productivity, let's not engage in a witch-hunt against the union movement; let's listen to the IMF, who tell us that, as inequality increases, productivity decreases. It is a drag on our economy, yet we are experiencing scandals from the major banks within the finance sector. We are seeing tax avoidance on an enormous scale. This takes money out of schools and hospitals. People are suffering from traffic congestion in our capital cities because we have governments that refuse to invest in public transport. Just recently we saw the Prime Minister who promised he would be ‘the Prime Minister for Sustainable Cities’—the Prime Minister who likes taking selfies while taking the bus or train—plough more money into those polluting road projects in Victoria and Western Australia.

Of course, we know all too well from the dodgy dealings in political donations that old vested interests are still dictating the terms of public policy when it comes to tax policy, investment policy, industrial relations policy and climate policy. Our political system is broken until the toxic influence of donations is removed. Big money politics is a cancer on our democracy. That is why we will be reintroducing our legislation to install a national anti-corruption watchdog. And we are pleased that Senator Lazarus and so many of the crossbenchers also support that call—as do Australians right around the country.

Yet while we are having this phoney debate, right through the property boom and the mining boom, we are seeing global temperatures increase. We have seen the hottest day on record, the hottest month on record and the hottest year on record—and the records keep getting broken, day in day out. We have seen those fires, some of them unprecedented, year on year. We have seen a major coral bleaching event threatening the wonderful asset that is the Great Barrier Reef, threatening the incredible biodiversity that lives in it—a world like no
other, that we are committing to death—and threatening the more than 60,000 jobs that depend on its survival. So, yes, we need reform.

We should be back here urgently—not to debate an attack on the rights of working people but to talk about how we unlock the potential of the new economy. We should be talking about how we redirect investment towards areas that we know are productive—away from the old polluting industries that will not be the pathway to Australia's future prosperity. The problem is that we have two old parties that are stuck in the past. Change is being held back by vested interests maintaining the status quo for their own narrow gains. Ordinary Australians are being treated out of a more sustainable and fairer Australia—one where the planet is warming. And all this government can do is go to the old handbook: 'Let's attack unions, let's engage in a battle that belongs in the last century, not this one.' No, we need some courage and vision in politics, and at this election the Greens stand prepared to show the Australian people that we can be better than this.

Debate adjourned.

BUSINESS
Suspension of Standing Orders

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (11:07): by leave—I move:

That standing order 3(4) be suspended to enable the Senate to consider business other than that of a formal character before the address-in-reply to the Governor-General's opening speech has been adopted.

Question agreed to.

Consideration of Legislation

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (11:07): by leave—I move:

That upon receipt of a message or messages from the House of Representatives requesting that the Senate resume consideration of the Building and Construction Industry (Improving Productivity) Bill 2013 [No. 2] and the Building and Construction Industry (Consequential and Transitional Provisions) Bill 2013 [No. 2]:

(a) the Senate shall consider the messages immediately, and
(b) if a motion to concur with the messages is agreed to, the Senate shall proceed immediately to consider the bills in accordance with the terms of that resolution.

Question agreed to.

GOVERNOR-GENERAL'S SPEECH
Address-in-Reply

Debate resumed on the motion:

That the following address-in-reply be agreed to:

To His Excellency the Governor-General

MAY IT PLEASE YOUR EXCELLENCY—
We, the Senate of the Commonwealth of Australia in Parliament assembled, desire to express our loyalty to our Most Gracious Sovereign and to thank Your Excellency for the speech which you have been pleased to address to Parliament.

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (11:09): In addressing the question before the chair, I would like to respond to a number of the claims that were made by Senator Conroy in his address-in-reply speech.

The first is in relation to the nature of the powers that are proposed to be given to the Australian Building and Construction Commission. The first claim that has been made—and looking in particular now at the ads that are running on the TV from the CFMEU—is that workers have fewer legal protections than ice dealers. This is false, and it shows that the CFMEU will do anything, and stoop to all-new lows, to ensure that the ABCC is not re-established. Why did the CFMEU only start running those ads now, when we are but weeks or months from an election in 2016—when the powers that the ABCC are proposed to have are the exact same powers that former Prime Minister Gillard and those on the other side, including Senator Cameron, have given to the Fair Work Building and Construction inspectorate? Senators in this chamber, you should ask yourselves that question: why is it that it is only now that the CFMEU have twigged that they do not like these powers? As I said, they are the same powers that the Fair Work Building Construction inspectorate itself currently has. In fact, if you look around this Senate, this exact Senate voted to continue with those powers—the powers that the CFMEU are now saying should not be had; saying that workers have fewer legal protections than ice dealers. These are the same powers that this particular Senate has already voted to extend and, of course, that extension goes until 30 June 2017.

So what do we propose to do with those powers if we are given the ability to re-establish the ABCC? All we propose to do is to remove the sunset clause—that is it. The ABCC will have the same powers as former Prime Minister Gillard gave to the Fair Work Building and Construction inspectorate—the same powers that this Senate voted to extend until 30 June 2017. That is it. So for the CFMEU to suddenly cry foul and to suddenly say, 'we have a problem with these powers,’ shows that this is nothing more and nothing less than a political stunt on behalf of the CFMEU. In particular, it shows that they will do anything and they will say anything to ensure that the laws in the building and construction industry are not changed.

We all know what occurred when the former ABCC became the Fair Work Building and Construction inspectorate—what happened literally overnight on the streets of Melbourne. I think Australians are still astounded that, within weeks of the ABCC being abolished, the power was being watered down and the penalties were cut by two-thirds. We had an incredible display of bullying, intimidation and thuggery on the streets of Melbourne with the Grocon dispute. In any other workplace in Australia, if you went to work in an industry that had a culture of fear, that had a culture of intimidation, and that had a culture of thuggery, people would be screaming from the highest rooftops that something needs to change. Royal commission after royal commission and Federal Court finding after Federal Court finding have found that this is the one industry in Australia where compliance with the law is not adhered to. In fact, it is often said that noncompliance with workplace laws is the mode of doing business when it comes to the CFMEU and the building and construction sector.
Why should Australians care about the bullying, thuggery and intimidation that we know, from an evidence base, are rife in this sector? It is for these reasons: the building and construction industry represents approximately eight per cent of Australia's gross domestic product. It is our nation's third-largest employer. So when you look around the streets, one in 10 Australians rely on the building and construction sector for their jobs. In my home state of Western Australia 150,000 people are employed by the small and medium businesses within the building and construction industry. When you look at the statistics, in terms of small and medium businesses—and small and medium businesses are the backbone of the Australian economy—more than 96 per cent of all businesses in the construction industry are small businesses.

Mr President, would you allow your son or daughter to take a job in an industry that is marred by bullying, intimidation and thuggery? I would say not. That is why it is a priority of this government, as part of our economic reform agenda, to assure that we pass the Australian Building and Construction Commission legislation and restore law and order to this vital sector of Australia's economy.

Ordered that the resumption of the debate be made an order of the day for a later hour.

BILLS

Building and Construction Industry (Improving Productivity) Bill 2013 [No. 2]
Building and Construction Industry (Consequential and Transitional Provisions) Bill 2013 [No. 2]

Consideration of House of Representatives Message

Messages received from the House of Representatives requesting that the Senate resume consideration of the Building and Construction Industry (Improving Productivity) Bill 2013 [No. 2] and the Building and Construction Industry (Consequential and Transitional Provisions) Bill 2013 [No. 2], which were transmitted to the Senate for concurrence during the last session of the parliament but on which proceedings were interrupted by the prorogation of the parliament.

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (11:17): Pursuant to order agreed to earlier today, I move:

That the Senate resume consideration of the Building and Construction Industry (Improving Productivity) Bill 2013 [No. 2] and the Building and Construction Industry (Consequential and Transitional Provisions) Bill 2013 [No. 2] at the stage reached in the previous session, and that a message be transmitted to the House of Representatives informing it that the Senate has agreed to its request.

Question agreed to.

Second Reading

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (11:19): I move:

That the bills be now read a second time.

The bills that the Senate is currently debating are the Building and Construction Industry (Improving Productivity) Bill 2013 [No. 2] and the Building and Construction Industry
(Consequential and Transitional Provisions) Bill 2013 [No. 2]. These bills, if passed, will re-establish the Australian Building and Construction Commission known as the ABCC.

The parliament has been recalled by the Governor-General expressly for the purpose of allowing the Senate to consider and deal with important pieces of legislation, one of which is the re-establishment of the ABCC. Prior to the 2013 federal election the government committed to re-establishing the ABCC, to restore the rule of law to this vital sector of the Australian economy that has been beset by a culture of industrial unlawfulness and thuggery. Through a previous committee reference, the Senate delayed consideration of these bills by engaging in an excessive use of parliamentary procedures designed to stall the consideration of the bills. Any further delay in considering this important consideration would be unreasonable and would be a clear indication of the Senate's proper law-making function.

It is time for senators to declare their positions and vote on the bills. The need to re-establish the ABCC is clear and evident. The building and construction industry has shown by its widely reported infamous and scandalous reputation and conduct that it stands apart from others, in terms of a culture of disregard for the rule of law and a preparedness to break industrial laws. The catalogue of court decisions illustrates the reality of the construction industry that—for some of the key players—breaking industrial laws has not only become the norm but also is a preferred and favoured business model.

The government is determined to make it clear that no-one should be above the law. In the context of the rampant industrial unlawfulness we see in this sector the parliament has two options in considering these bills. The first is that the Senate can bury its head in the sand and deny there is a problem. It can try and distract the Australian people from the damage the lawlessness in this sector is doing to jobs, workers, the economy and our international reputation. The second is to finally do the responsible thing, act in the national interest and pass these bills. Unfortunately, it is all too clear that the Australian Labor Party and the Greens will continue to blindly walk the path that they have been told to walk by their owners and controllers, the CFMEU, irrespective of the harm done to the rights of individuals and the Australian economy.

The need for the ABCC and the case supporting its establishment is stronger today, in 2016, than it was when the bills were introduced in 2013. We read in countless pages of court decisions and royal commission findings of the tactics of intimidation, aggression and standover thuggery that are regularly deployed in this industry. We have read in countless pages of Hansard in this place how the Labor Party and the Greens will defend even the worst examples of this deplorable behaviour. The Heydon royal commission also reconfirmed and reinforced the findings of the Cole royal commission, which reported in 2003. Both royal commissions identified systemic unlawful conduct in the building and construction industry, in particular in the construction division of the CFMEU, including physical and verbal violence, threats, intimidation, abuse of right-of-entry permits, secondary boycotts, breaches of fiduciary duty and contempt for the law.

This is the conduct that senators opposite are condoning and supporting in refusing to address this issue. Unsurprisingly, given their well-documented contempt for the rule of law, there are currently 109 CFMEU representatives either before the courts, the Fair Work Commission or both. Since 2003 the courts have imposed fines of almost $7 million on the
CFMEU and its officials for proven breaches of the law. Many of the officials before the courts have been found guilty of breaches of workplace laws on multiple occasions.

It is clear from these statistics that despite being brought before the courts again and again and significant penalties—almost $7 million—being imposed, the current laws do not deter the CFMEU from breaking the law. They treat the imposition of penalties as merely the cost of doing business.

You may well ask how this unlawful business model has been allowed to develop. Unfortunately, one crucial factor is that the CFMEU, last year alone, donated $720,000 to the Labor Party. Since 2007 it has filled the coffers of the Labor Party to the tune of $7.1 million. It is no coincidence, then, that at the behest of the CFMEU the Labor Party and those opposite remain wilfully indifferent to the victims of CFMEU thuggery, intimidation and violence in the building industry.

They are also indifferent to the benefits that a lawful industry will provide to the Australian people and the Australian economy. It is no coincidence that in response to demands from the CFMEU Labor recklessly abolished the ABCC in 2012. What occurred only weeks later? It triggered unprecedented industrial action. Almost immediately we saw the CFMEU, assisted by the maritime and electrical unions, shut down parts of the Melbourne CBD in a violent and criminal display of contempt for the law. We here—everybody here in the gallery today—have to comply with the laws that apply in our workplaces. If we do not, there are consequences. Why is it that in one sector in particular in Australia the laws are not complied with and the penalties that are then put in place clearly do not deter that bad behaviour?

When Mr Shorten and Labor abolished the ABCC and slashed the applicable fines by two thirds, what did they honestly believe was going to happen? What we have now seen is a worsening of the industrial lawlessness, intimidation, thuggery and culture of fear, thanks to Labor’s subservience to the CFMEU. Almost every state in Australia has graphic examples of thuggery and bullying by key CFMEU officials. These are not allegations: they are proven facts, as found by the Federal Court. During the last sitting period I outlined in this place example after appalling example of blatant industrial unlawfulness, aggression and thuggery by senior CFMEU officials, repeated breaches of workplace entry laws, unlawful coercion, wildcat strikes and threatening individual workers and small subcontractors with financial ruin if they do not do what the CFMEU tells them to do.

This kind of unlawful behaviour underpins the culture of fear and intimidation which is the mainstay of the business model practised by some union leaders in the construction industry and which the Labor Party, by its failure to condemn, effectively endorses. The excuses proffered by Labor on behalf of their union masters have only encouraged a culture of thuggery and bullying by key CFMEU officials. These are not allegations: they are proven facts, as found by the Federal Court. During the last sitting period I outlined in this place example after appalling example of blatant industrial unlawfulness, aggression and thuggery by senior CFMEU officials, repeated breaches of workplace entry laws, unlawful coercion, wildcat strikes and threatening individual workers and small subcontractors with financial ruin if they do not do what the CFMEU tells them to do.

The building and construction sector is in dire need of a stand-alone civil regulator with appropriate powers enforcing effective laws to bring the rule of law to the sector. Prior to the abolition of the ABCC by Labor, the economic and industrial performance of the building and
construction sector improved. The facts, as demonstrated by ABS data, show that in the years before the ABCC was established in 2005 the industrial dispute rate in the construction sector was five times the all industries average. During the operation of the ABCC from 2005 to 2012, the rate of disputes in the construction industry dropped to twice the all industries average—five times down to twice. After the abolition of the ABCC by the former Labor government, the rate of disputes in the construction industry rose to approximately four times the all industries average. So before the ABCC it was five times; during the ABCC it was two times; and once the ABCC was abolished it jumped back to four times. The ABS data also shows that during the operation of the ABCC the labour productivity index for the construction industry increased by 20 per cent in contrast to the 16 market sector industries index, which only increased by 11 per cent. The evidence shows that when the ABCC existed from 2005 to 2012, the economic and industrial performance of the building and construction sector improved. That had flow-on benefits to all Australian.

There are some detractors, of course, and I am sure we will hear from them today, who would have us believe that having a strong, independent workplace regulator to enforce industrial laws in the building and construction sector has no impact on productivity in the industry. However, as Commissioner Heyden found, the logic of events indicates that the conduct of unions in imposing blockades and work stoppages has a profoundly negative influence on productivity. A lawful construction industry is critical to a productive, prosperous and internationally competitive Australia. Unfortunately, from the ABS data we see that two-thirds of all industrial disputes were in the construction sector in the last reporting period. The reality is that the level of industrial unlawfulness in this sector adds to the cost of every project. So Australians are paying more for every hospital, every school, every job-creating research project and every piece of public infrastructure because of the state of unlawfulness of the building and construction sector within Australia. Australians pay more. It is a fact that when projects can be delivered on time and on budget this encourages more investment, which results in more projects, more jobs, more public infrastructure and greater economic activity. Everybody benefits from lawfulness in the building and construction sector. Workers, businesses, consumers and the public all reap the benefits when you restore law and order to the building and construction industry.

Since ABCC was made into the Fair Work Building and Construction inspectorate, we on this side of the chamber have been committed to its restoration. We are committed to a productive, safe, successful and lawful construction industry. This is the nation's third largest employer. It employs more than one million people. One in 10 Australians rely on their job through the building and construction industry. What we will do is reverse Labor's reckless weakening of the laws in 2012. Once again, we will have a genuinely strong watchdog on the beat to maintain the rule of law. And what does maintaining the rule of law in this sector do? It protects workers, it protects subcontractors and, of course, it improves productivity on building sites and construction projects. Re-establishing the ABCC is important to halting the ongoing slide into the lawlessness that has been shown to be the hallmark of some elements of the building and construction industry.

These bills and the measures in them have been considered and reconsidered on numerous occasions now. Despite this, there still remains many untruths that vested interests continue to peddle, including by those opposite. The first is in relation to safety. I want to make one point
on safety very clear: the bill does not contain any provision that would prevent legitimate safety issues in the building industry from being raised and addressed by employees, unions or state and territory work and health and safety regulators. It has not been, currently is not and will not be industrial action for a worker to stop work because of a reasonable concern over an imminent safety risk. The standard used in the ABCC bill is the standard that currently applies under Labor's Fair Work Act. Suggestions that the ABCC was responsible for workplace deaths or that members of the government would be happy to see workers die are not only completely false but without any foundation and, quite frankly, offensive to those who have lost loved ones. They show, of course, that Labor and the CFMEU will stoop to abominable and dishonest levels to ensure that this watchdog is not re-established.

There has also been a great deal of misinformation—and, again, I referred to it in my address in reply—in the CFMEU's latest campaign highlighting a drug dealer. The misinformation being peddled by the unions and the Labor Party is in respect to the proposed compulsory powers of the ABCC. The fact is that the ABCC compulsory powers are not new or unique. They are provisions that Labor included in legislation when it provided such powers to the current regulator, the Fair Work Building and Construction commission. So let us be very clear on that: the information that could be obtained under the proposed ABCC laws is the same information that can currently be obtained under Labor's laws. What is more, these evidence- and information-gathering powers are the same types of powers already held by other civil regulators including ASIC, APRA and the ACCC.

Why are these powers necessary in the building and construction industry? Simply put, it is because there is a culture of fear, intimidation and silence for fear of reprisal and retribution in this sector. The reality is that witnesses, and very often victims themselves, do not speak out, and refuse to deal with the regulator for fear of retribution and being targeted for cooperating with authorities. In the building industry, potential witnesses and whistleblowers are routinely threatened against reporting unlawful conduct. As one CFMEU official, Gerard Benstead, said to a Melbourne builder who he was standing over: 'Don't go talking to the ABCC. If Johnny Setka ever hears about that, then that will be the end of it. If they—the CFMEU—hear about the fact that you are talking to them and running to them every time—if you go running to the ABCC—forget about it. That will be the worst move you ever make.' The compulsory powers—the same powers that Labor currently has—are necessary to see that justice is done, and to shield witnesses and victims; to give them protection when they stand up and do the right thing and speak out against unlawful and coercive conduct.

The coalition government is committed to doing all that is necessary to reform the building and construction industry and to reinstitute the rule of law in this sector. There is a clear choice: it is a choice between thuggery and fairness, it is a choice between the rule of law and lawlessness, and it is a choice between the public interest versus the interest of some of the most corrupt union officials in Australia. I commend the bills to the Senate.


These are bills that rest on a foundation of lies, half-truths and deception—and we have just seen that being paraded here by the minister. These are bills that rob construction workers
of basic civil rights. These are bills through which the government thumbs its nose at the basic right to the presumption of innocence. These are bills that pose life-threatening dangers to construction workers. These are bills that give a civil regulator the power to compel construction workers to attend compulsory interrogations for something as innocuous as attending a union meeting. These are bills that provide for searches of construction workers' homes without a warrant. These are bills that deny construction workers the right to legal representation by a lawyer of their choice. These are bills that reverse the onus of proof for construction workers refusing to undertake unsafe work. And these are bills that will leave a million construction workers with fewer rights than an ice dealer—regardless of what the minister says. These Stasi-like powers will be exercised by an unaccountable agency headed up by a zealous commissioner with a track record of contempt for accountability.

The parliament has been prorogued, and we are debating these bills because we have an 'Incredible Shrinking Prime Minister': a Prime Minister whose standing diminishes as each day goes by; a Prime Minister who simply talks and talks and talks; and a Prime Minister who only stands up for the things that he does not believe in. This Prime Minister does not believe in equal marriage or an equal marriage plebiscite—he thinks it will be divisive and unnecessary—but he is supporting it anyway. This Prime Minister does not believe in the coalition's Direct Action policy, but he is standing up for handing billions of taxpayers' dollars to the nation's worst polluters. This Prime Minister does not believe that the Queen of England should be our head of state, but he is standing up against moves toward an Australian republic.

This Prime Minister is a conviction-free zone. He is a Prime Minister soft on corporate tax dodgers but tough on Australian families. This Prime Minister wants to hike the GST, but he lacks the conviction to take it to an election. This Prime Minister wants to cut company tax, but he lacks the conviction to take it to an election because the voters are on to the big end of town. This Prime Minister wants the states and territories to raise income tax, but he lacks the conviction to stand up for his thought bubble. This Prime Minister wants the federal government to fund well-heeled private schools but does not believe that the federal government should fund public schools.

This Prime Minister waffles on about agility and innovation while he watches highly-skilled, well-paid jobs disappear from shipbuilding, car manufacturing, steel making and metal manufacturing. This Prime Minister waffles on about transition, while at the same time presiding over the gutting of the education and training systems that are essential to the transition he waffles on about. This Prime Minister indicated he supported every aspect of the 2014-15 horror budget—remember the cuts to pensions, the unemployed with no funding and no income for six months, the cuts to family support, the cuts to education and the cuts to health? This is a Prime Minister who said last September, when he announced his challenge to Mr Abbott:

What we have not succeeded in doing is translating those values into the policies and the ideas that will excite the Australian people and encourage them to believe and understand that we have a vision for their future.

This Prime Minister has failed just as miserably as his predecessor. Nobody is excited. Nobody is encouraged. No-one has a clue what the Prime Minister stands for or what his vision might be. The word on everyone's lips is 'disappointment'. How often do you hear, 'I
am very disappointed in Malcolm Turnbull? Those opposite have heard it as well. You have heard it. You hear it every day. You hear it in the pubs. You hear it in the clubs. You hear it in the shops. You hear it in taxis. I have lost count of the people who have said it to me.

What has been the point of the Abbott and Turnbull governments? Absolutely nothing. Nothing but their ideological obsessions. Nothing but their forays into the cultural obsessions of the political fringe. That is why we are here today debating this bill. That is why the parliament has been prorogued. We are debating this bill because the incredible shrinking Prime Minister has nothing left. Six months in the job and there is nothing left in his locker—maybe only the stale stench of Tony Abbott's policies that he cannot rid himself of. We are debating this bill because the Prime Minister misled the Governor-General. In his letter to the Governor-General advising him of the need to prorogue the parliament the Prime Minister said this:

The Government regards this legislation as of great importance for promoting jobs and growth, improving productivity, and also promoting workplace safety through taking strong measures to deal with widespread and systemic criminality in the building and construction industry.

I want to deal with some of the reasons the Prime Minister gave the Governor-General to persuade him of the great importance of this bill. The Prime Minister's claim to the Governor-General that the ABCC will lead to improved productivity is a complete untruth. The Prime Minister's untruths are based on discredited research done for cash-for-comment consultancies. These claims are contradicted by the government's own agencies, such as the Productivity Commission and top-tier consulting firms.

Productivity data from the ABS proves that there has been continuous improvement in productivity in the construction industry since data began being systematically collected in the 1980s. Furthermore, productivity grew faster in the seven years before the introduction of the ABCC than it did after the ABCC was established by the Howard government, and productivity has been higher every year since the ABCC was abolished in 2012. Data produced by Austrade for international investors show that the Australian construction sector is 19 per cent more productive than global competitors and, measured against global competitors, is relatively more productive than other industry sectors including banking, media and retail. It is more productive than the banking sector—the banking sector that this government wants to protect. Analysis by the Parliamentary Library shows that when the ABCC was last in operation the cost of non-residential building grew faster than CPI. That is the exact opposite of what the Prime Minister claims.

The government, on the other hand, gets its figures from a discredited report published by a discredited band of big business cronies. The government continues to parrot a series of reports prepared for the former ABCC and the Master Builders Australia by consulting firm Independent Economics, or Econtech as it was formerly known. They had to change their name because they were so discredited by this crazy report. The report purports to have found that under the ABCC consumers were better off by $7.5 billion annually, that productivity grew and that fewer working days were lost through industrial action. What the government will not say is that this consulting firm has the rare distinction of producing modelling so inaccurate that it was described by the former Federal Court judge Murray Wilcox as 'deeply flawed' and that it 'ought to be totally disregarded'. That is what Senator Cash has been standing up here defending this morning.
Another analysis of the Econtech report, authored by Professor David Peetz, Cameron Allan and Andrew Dungan, concluded:

The great gains for construction industry arising, it was said, from the near equalisation of costs in the commercial and domestic residential sectors that was attributed to the ABCC have disappeared, like a mirage on the horizon.

They were a mirage. They were simply propaganda from those opposite in terms of the building and construction sector. The picture they paint of the building and construction sector is not the picture that is the reality for those hundreds of thousands of workers that go into the building industry every day of the week. It is not like that at all. Further, the report from Peetz went on to say:

This close analysis of the Econtech data raises serious questions about the nature of regulation in the building and construction industry. Alleged economic benefits, used to justify denial of basic rights to employees in the industry—rights which everybody else is, at least at present, entitled to enjoy—are based on discredited cost data. In short, there do not appear to be any significant economic benefits that warrant the loss of rights involved in recent arrangements.

And it goes on. A further report by PricewaterhouseCoopers in October 2013 described the reports that this government is relying on as 'found wanting on a number of methodological grounds', and found that no discernible contribution was made by the ABCC to productivity in the construction industry. So, the Productivity Commission, PricewaterhouseCoopers and independent experts say what you have just heard is an absolute load of nonsense—absolute propaganda from the government. The government's determination to revive the discredited ABCC is based entirely on equally discredited reports and figures that are contradicted by every independently minded person who has examined them.

It is quite shocking that the Prime Minister would advise the Governor-General that this bill is necessary to promote safety in the industry when it is clear the former ABCC and the zealotry of Fair Work Building and Construction under its present director are associated with increased workplace deaths. During the period of the former ABCC under the Howard government, the annual rate of fatalities in the construction industry increased from 2.5 deaths per 100,000 workers to almost five deaths per 100,000 workers. During the period in which the former ABCC's hardline ideologues were in charge of the regulator, workplace deaths on construction sites reached a 10-year high, with 51 workers killed in 2007. Following the ABCC's replacement with the less zealous and ideological Fair Work Building and Construction, workplace deaths in the industry fell by 60 percent.

Recently, I met with the family of a young Irishman, Gerry Bradley, who, along with another young Irishman, Joe McDermott, was killed on a Perth construction site last November. It was heartbreaking to see the pain of loss on the faces of Gerry's partner Shelly, his uncle Eamon and his father Gerald. These two young men were full of the joys of life and the hopes of the future. They worked on a site run by JAXON Construction in Western Australia. In the months leading up to the deaths of these young men, the CFMEU had repeatedly raised concerns over serious safety breaches on a number of JAXON jobs around Perth. The company's response to these concerns was to collude with Fair Work Building and Construction to keep the union off the job.

File notes obtained through budget estimates reveal the extent to which Fair Work Building and Construction under the regime of Nigel Hadgkiss aided and abetted the company's
hindrance and obstruction of attempts by workers and their unions to rectify safety breaches. JAXON management told Fair Work Building and Construction inspectors in their Perth office that the union's attempts to carry out safety inspections 'are becoming a nuisance and wasting his time'—that is, the site manager's time. So the site manager's time, according to Fair Work Building and Construction, was being wasted. The site manager told Fair Work Building and Construction that he was talking to the police and getting their help to keep the union off the job. The file notes reveal that Fair Work Building and Construction inspectors would also be seeking to talk to the police to stop these safety inspections—not because of any alleged criminal activity; only because the boss thought the union was a nuisance! In February, August and October 2015, Fair Work Building and Construction visited the Bennett Street site where Gerry Bradley and Joe McDermott would be killed in November. The file note says Fair Work Building and Construction would closely monitor the site because of 'the level of activity the builder has recently received' about safety concerns and the 'receptive nature of site management'.

Gerry Bradley and Joe McDermott died in November 2015 because JAXON Construction had not set up an exclusion zone when lifting concrete blocks from a truck onto the site. This was precisely one of the many safety complaints made by the CFMEU about the operation of JAXON sites. In my view, if Fair Work Building and Construction inspectors had advised JAXON to fix the safety problems on its sites instead of colluding with JAXON in hindering and obstructing proper safety inspections, then Gerry Bradley and Joe McDermott would probably be alive today. The hindering and obstructing of investigations of suspected occupational health and safety breaches on JAXON sites in Perth is a matter before the Federal Court in Perth. I am advised there will be a coroner's inquest into the deaths. It is my hope that Fair Work Building and Construction's role in contributing to the circumstances that led to the deaths of Gerry Bradley and Joe McDermott will be fully investigated. In all, JAXON sites around Perth received 15 visits from Fair Work Building and Construction inspectors in 2015. It is clear that, under the Turnbull government, if you complain about safety on a construction site you are more likely to get a visit from Fair Work Building and Construction inspectors than a health and safety inspector.

The Prime Minister advised the Governor-General that this bill is necessary to 'deal with widespread systemic criminality in the building and construction industry'. The Prime Minister misled the Governor-General and he knows it. The ABCC never will and cannot investigate criminal matters. Fair Work Building and Construction does not deal with the corporate criminals who engage in phoening, sham contracting and standover tactics directed at subcontractors. The routine abuse of market power, the exploitation and abuse of temporary overseas workers and the multitude of other sins that plague the industry are not issues dealt with by FWBC. I do not suppose we should expect this Prime Minister to deal with any of the rip-offs, irregularities and standover tactics of his business mates. Every year, this industry is plagued by $3 billion in unpaid debts. The construction industry is one of the highest financial risk industries in the country. When I went around the country during the economics committee inquiry into insolvency in the construction industry, I spoke to dozens of subcontractors—small and not so small. In just about every case they were completely perplexed by the government's obsession with the ABCC. They said that the only people in the industry who share the government's obsession with the ABCC are Master Builders.
Australia, who represent the big end of town. I found the hostility of subcontractors towards MBA surprising and concerning. Subbies feel completely abandoned by MBA.

These are the big issues. The big issues involve being able to go on the job and be safe, to go on the job and get paid, to go on the job and be able to get advice from your union about health and safety issues. These bills take those rights away. They look after the big end of town and they place workers in this industry in danger. (Time expired)

Senator DI NATALE (Victoria—Leader of the Australian Greens) (11:59): I rise today to speak against the Building and Construction Industry (Improving Productivity) Bill 2013 [No. 2]. This government tells us that the establishment of the Australian Building and Construction Commission is critical because there is widespread corruption within the union movement, we have a productivity problem within the construction sector and, to use the government's words, we need a 'tough cop on the beat' to deal with those issues. But, unfortunately, much like a lot of the government's current agenda, these assertions are very heavy on rhetoric and very light on when it comes to facts.

Let us look at what this bill does and also at the history of the ABCC. There is no better way to examine whether an institution like this will be effective than to go back to the record and look at what the ABCC did when it was established under the previous conservative government. Firstly, the bill strips away some very basic rights that are afforded to people right across the community. It says, 'Because you work in the construction industry, you deserve fewer rights than people who work in other industries.' In fact, some of the most basic rights that are afforded to common criminals are stripped away through this proposed legislation. It treats construction workers worse than common criminals; it removes the presumption of innocence; it effectively sets up a Star Chamber; it creates incredible coercive powers that would mean that construction workers could be subject to secret interrogations and forced to answer questions under oath; and it effectively creates a form of industrial apartheid.

The question arises: what led to the initial establishment of the ABCC and what was the performance of the ABCC once it was established? We know that, under the Howard government, there was a royal commission into the construction industry. We saw allegations of criminal wrongdoing and yet not one successful prosecution as a result of that royal commission. Despite that, we saw the establishment of the ABCC, which, we were told, was going to eliminate corruption and improve productivity within the sector. What we saw, in fact, was that, when the ABCC was established, productivity in the construction sector actually decreased. We know that productivity has improved since the abolition of the ABCC, making a mockery of the notion that, somehow, establishing the ABCC will do something to transform our economy and get Australia moving in the right direction. We know what economic levers are important to start tackling some of the challenges that we face, and yet we have a government, resorting to a tired, old ideological position, prosecuting an agenda for the re-establishment of the ABCC, which we now know, based on the commission's performance when it was established, does nothing for productivity.

We also know that one of the great dangers of working in the construction industry is that people often do not return home. It is a very dangerous industry. We know that there are a number of breaches of occupational health and safety laws. We also know that the ABCC did not take action against any employer over breaches of occupational health and safety laws,
despite the track record of significant harms and, indeed, deaths within that industry. In fact, it
presided over an increase in the number of deaths in the industry. So we know that this
commission is completely unrelated to productivity. We know that, if anything, occupational
health and safety deteriorated under the commission, we know that the bill strips away some
basic rights from innocent people and we know that, when it comes to the coercive powers,
we are effectively creating a separate class of laws for people simply because of the industry
in which they work. Yes, of course there are significant issues within the construction
industry, and they include the fact that many of those people who go to work do not come
back home at night. We know that there are problems with labour from overseas, with people
being exploited on $10 or $12 an hour through sham contracting, and yet we have heard not a
word on this from the current government.

So what is going on here? Let's not forget that the parliament has been prorogued—this is a
question of such important national interest and urgency that we have taken the extraordinary
step of proroguing the parliament. The answer is very simple. As I said earlier, during the
address-in-reply to the Governor-General, the coalition are a divided party. They are a
shambolic party. They are, at the moment, riven with differences over social and economic
policy, so they are bereft of an agenda. They are bereft of an economic agenda—we kept
hearing about the GST and about some of those important economic reforms that we would
see around income tax cuts and so on, and yet there is no agreement because they are a party
that are divided. They are divided on social policy. We have the Prime Minister, who says he
is a strong supporter of marriage equality, yet we have those homophobes and bigots within
the coalition who, on the back of the Safe Schools Coalition, took extraordinary action to
engage in a review of a sensible program designed to try to stop bullying in schools.

What was the response from the coalition? It was: what will bring the coalition together
more than a bit of good, old-fashioned union bashing? That is why we are here. We are not
here because of concerns about corruption. We are not here because of concerns around
productivity. If there were genuine concern around the notion of corruption, we would be
looking at the misconduct of those financial institutions and, indeed, into those sectors,
economy wide, that we know are engaged in illegal and corrupt activity.

That is why the Greens have long campaigned for the establishment of a royal commission.
Indeed, Senator Peter Whish-Wilson led the charge for a royal commission into the banking
and financial sector, where we know that there is a litany of misconduct and corrupt
behaviour that is adversely impacting on millions of ordinary Australians. And the list is
indeed long. We have the allegations where the Commonwealth Bank gave customers—over
1,000 of them—bad advice, compensated to the tune of $52 million. Another 8,000 further
applications were made for review, with more compensation—millions—to follow. We had a
similar example with the National Australia Bank—$16 million in compensation. There was
Macquarie Bank, with another $14 million in compensation. We had the farce where the ANZ
charged people for services that they did not receive—another $30 million in compensation.
We have some of our big banks—the ANZ and Westpac—being charged with rigging interest
rates; currently, the matter is being investigated. We had that remarkable situation with the
Commonwealth Bank with CommInsure, where people's claims were ignored. In fact we saw
the definition of common medical conditions like a heart attack being changed so that those
insurers could avoid paying their legislated responsibility. Remarkable stuff—absolutely remarkable!

So, if we are talking about corruption, if we are talking about wrongdoing, let us support a royal commission into the finance and banking sector. I am reminded of Senator Brandis's comment that there is no difference between a dodgy boss and a dodgy union official. If that is the case, and you are prepared to support a royal commission into unions, then you should support the Greens' call for a royal commission into the banking and finance sector.

If the government were serious about tackling corruption and wrongdoing, it would also get behind the Greens' call to establish a national anticorruption watchdog. We have had that policy costed by the Parliamentary Budget Office, and—wouldn't you know it—the cost of a national anticorruption watchdog is very similar to the amount that was spent on the trade union royal commission. So, in having a politically motivated royal commission into a group of political enemies for the sake trying to keep one side of politics united, we have now spent what we could have spent on establishing a permanent, ongoing institution to stamp out corruption, in all of its forms.

Instead of supporting the creation of a national anticorruption watchdog or a royal commission into banking and finance, the government has brought us all back here—nominally for three weeks—so we can fight the same old battles of last century and try and ensure that we have a united coalition party room and a divided nation. Whenever a government acts is in its own narrow self-interest rather than the national interest, it is doomed to fail. And that is what we are witnessing with the Turnbull government right now.

The Greens have long supported the role of the union movement within society. We know that trade unions were founded with the purpose of protecting the rights of ordinary working people and they have much to be proud of. We know that, when things go wrong in workplaces, it is unions that step up and represent the interests of ordinary working people. We know that the union movement—not just right across Australia but right across the developing world—is playing an important role in protecting the rights of ordinary citizens, some of whom have very few rights afforded under the regimes that they are governed by.

So we stand here and oppose the implementation of the Australian Building and Construction Commission. We are guided by the evidence on this. We know that, when the commission was previously installed, it did nothing to improve productivity or health and safety. We understand this is an ideological position not supported by evidence and really established with the intent of keeping a divided party room on the same page. We will oppose vigorously any moves to have this body which treats ordinary people within the construction industry worse than common criminals.

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (12:12): The fact that we are here in parliament today debating these bills, the Building and Construction Industry (Improving Productivity) Bill 2013 [No. 2] and the Building and Construction Industry (Consequential and Transitional Provisions) Bill 2013 [No. 2], just goes to show the desperation of this government. Mr Turnbull took the extraordinary step of proroguing parliament just so he could have these bills considered in time to call a double dissolution election.
When I say that proroguing parliament is an extraordinary step, it should be noted that this mechanism has only been used four times in the recent past. The parliament was prorogued following the death of Harold Holt in 1968, and in 1970 parliament was prorogued because Prime Minister John Gorton did not have his government's program fully prepared for the first sitting after the 1969 election. Parliament was also prorogued in 1974 and 1977 to allow Queen Elizabeth to open the new sessions. But what makes this move particularly extraordinary is that the parliament has been prorogued for political advantage, because proroguing parliament and recalling parliament is the only mechanism through which Mr Turnbull can set up a double dissolution election while also delivering a budget.

Now that the Greens have helped the government pass voting reforms to give them a political advantage, Mr Turnbull wants to pull the trigger on an election before his popularity plunges to even greater depths. I doubt he had that discussion with the Greens when he was negotiating with them. And he realises that going to an election without a budget would expose this government's complete lack of an economic plan. They are hoping that their incompetence, lack of vision, policy confusion and broken promises will be hidden by the lights and noise of an early election.

They have not just taken their bat and ball and gone home. They have not just cancelled the season. They have also tried to get rid of a few teams along the way. They see an early election as the only way to contain the damage that has been done to them. By calling a double dissolution immediately after the budget, the government's budget will escape the scrutiny of budget estimates; their ministers will not have to front Senate committees and confess their embarrassing lack of policy or plans for Australia's future.

But the Australian people, I have no doubt, will see through these tactics. They know the government's move to recall parliament is an absolute farce. The ABCC bills are not urgent. If the bills were urgent, why didn't the government vote to bring them forward when they had the chance in the last session of parliament? There was even a motion before the Senate to add them to the bills to be debated before the Senate rose, yet the government voted against debating the bills then. The bills are simply a cover for the government's dirty tactics. They are not a priority for the government, nor are they a priority for the Australian people.

In fact, do you know how many constituent queries I have had to my office calling for the reintroduction of the ABCC? I have had plenty of people contacting me about restoring funding to the ABC, the broadcaster. I have had dozens of emails calling for the reversal of the government's cruel cuts to bulk-billing incentives for pathology and diagnostic imaging and I have had hundreds of people coming to my office to sign a petition to maintain Medicare and Centrelink services in Kingston, where my office is, in Tasmania. I have had many people telling me they have trouble connecting to the National Broadband Network or are concerned about their private health insurance premium increases or are livid about the dirty deal between the government and the Greens to increase their numbers in the Senate. So many people have talked to me, phoned me or emailed me about those issues, but how many of my Tasmanian constituents have contacted me about the urgency to bring back the ABCC? Let me tell you. In over 2½ years of those opposite being in government, I have had just one. So, obviously, this is not a priority of the people. It is only a priority of the government because they want another double dissolution trigger, because trying to abolish the Clean Energy Finance Corporation is a terrible double dissolution trigger. The government are
absolutely desperate to talk up a double dissolution. They are desperate to talk about reinstating the ABCC and they are desperate to talk about anything that will distract from the fact that they have no plans for Australia’s future.

The Prime Minister, Mr Turnbull, has clocked up more than six months in the job and what does he have to show for it? Absolutely nothing—zilch; nothing. The closest thing we have had to substantive policy was a thought bubble on the states levying income tax, and that bubble burst about as quickly as it was created. Then Mr Morrison admitted it was all bluff anyway to shift the blame to the states for the $80 billion cuts to health and education that has occurred under this government. There was all the talk about being an agile government, an innovative government. Well, they do a lot of backflipping—I will give them that—but Mr Turnbull has nothing to show for it. There are no plans for tax reform, no plans to tackle the deficit, no plans to create jobs and no plans to grow the economy.

The greatest disappointment from Mr Turnbull is that he has turned his back on all things that he so passionately believed in: emissions trading, marriage equality and the republic. He has absolutely turned his back on all those things. Mr Turnbull dumped Mr Abbott as Prime Minister because the government was directionless and Australians were understandably angry about Mr Abbott’s cruel cuts and broken promises, yet he has kept Mr Abbott’s policies and progressed nothing. He has not progressed anything—zilch; absolutely nothing. He is leading a very divided and a very dysfunctional government and they are at war amongst themselves. He is beholden to the right wing of the Liberal Party who want to cut penalty rates and dismantle Medicare but do not have the patience to wait until after the election to do it. The Australian people are still waiting for the good government that Mr Abbott talked about all those months ago.

Senators on that side of the chamber and their government colleagues in the other place must be shaking their heads in wonder, thinking: ‘What was it all about? Why did we dump Mr Abbott for Mr Turnbull?’ With six months to make some decisions about the future of this country, Mr Turnbull’s first major decision as Prime Minister was to take the extraordinary measure of proroguing parliament so we could debate a bill that they could have brought on five weeks ago, so I am not quite sure about the urgency issue. It appears that his second decision will be to call a double dissolution election so he can put up Mr Abbott’s policies to the Australian people as if they were his own. No wonder Mr Abbott said in an interview on Sky News that it would be easy for him to campaign for the Turnbull government because the Turnbull government is running on the record of the Abbott government. This is the best they can come up with: the reintroduction of the ABCC, a dictatorial yet highly ineffective organisation.

The Australian public should not be fooled into thinking that these bills represent any kind of substantive policy agenda from the government. In fact, this is just a cynical attempt by the government to paint Labor as being unwilling to do what is necessary to tackle corruption in the building industry. Nothing could be further from the truth. Labor abhors corruption wherever it occurs and we have a strong track record on tackling it. When Labor was in government, we passed legislation to increase the accountability and transparency of registered organisations, including unions, and tripled penalties for those breaching the law. In fact, if anyone can be accused of walking away from tackling corruption it is the current government. After Labor introduced legislation to put a stop to corrupt practices in the
financial services industry, those opposite tried to water it down and, despite the thousands of cases brought to court by the Australian Securities and Investments Commission, hundreds of which resulted in prosecution, we do not hear a peep from those on the other side about corporate corruption, yet they continue to have an obsession about unions. So, when those opposite try to preach to us about corruption, just remember: they speak with forked tongue.

Recently, we had revelations that hundreds of Australia's largest companies pay no tax, the Panama Papers were released, exposing some of the dodgy practices of those companies, and we had revelations about the practices of CommInsure, trying to deny medical insurance claims. But what did the government do? The government decided to waste $80 million on a witch-hunt—an inquiry into their political opponents. A great example of how transparent the government's motives are is the fact that they have not sought to amend the registered organisations bill nor the ABCC bills based on the recommendations of their $80 million royal commission. So it just goes to show that the trade union royal commission was a monumental waste of taxpayers' money and was established for purely political purposes.

When it comes to the ABCC bills there are a few uncomfortable truths for this government—uncomfortable truths which provide plenty of good reasons for us to oppose these bills. We know that those opposite do not want to hear these truths because they shut down debate in the House on the bills. But they do not have the numbers in their own right to shut down debate in the Senate, nor can they shut down debate in the media, so they will often just try to yell over the debate, or, in some cases, just screech.

When the ABCC was in operation under the Howard government it was a draconian agency. It was draconian then and, as it is proposed in these bills, it is draconian now. With the reintroduction of the ABCC the government proposes to bring back powers that are extreme, unjust and compromise civil liberties. These include unfettered coercive powers—and Senator Cameron mentioned those earlier as well—including secretive interviews and imprisonment for those who do not cooperate. People who are interviewed would have no right to silence and would be denied the right to be represented by a lawyer of their choice.

In March 2010 the International Labour Organization's Committee of Experts released a report that said that the ABCC was likely to breach a number of labour standards, including freedom of association, the right to organise and collective bargaining. Ah, that's right! That is what those on the other side do not like. They do not like freedom of association; they do not like the right to organise—and they certainly do not like collective bargaining. There is no justification for having such extraordinary powers apply to a particular industry. It undermines the principle that all workers should be equal before the law.

The 2009 Wilcox inquiry found that there is no need for different substantive industrial relations laws to apply to the building and construction industry—and, despite its politically motivated bias, even the recent trade union royal commission came to that same conclusion. That's right. The trade union royal commission came to that same conclusion. You do not hear those on the other side quoting that! Curtailing the ability of union officials to stand up for their members on building worksites has an impact on safety in the workplace, and there are figures to back this up.

A Safe Work Australia report released in June 2015 showed that under the ABCC there was a significant rise in workplace deaths. The former ABCC came into operation on 1 October 2005. In 2006 there was a 37 percent increase in fatalities in the industry—not just
injuries, but fatalities. In 2007 there were 53 deaths. After the ABCC was abolished in May 2012, the numbers dropped significantly, with only 21 deaths—which is still 21 too many, I admit—in 2013.

Safety is of particular importance to workers in the building and construction industry—which is pretty obvious—because it is one of the most dangerous industries to work in. Despite there being plenty of evidence of corruption and malfeasance on the part of employers in the building industry, the former ABCC overwhelmingly focussed on pursuing the investigation and prosecution of guess who? Workers and trade unions. It failed to adequately address the widespread problems of underpayment and nonpayment of workers' entitlements, workplace safety or sham contracting. This was despite sham contracting in the industry costing Australian taxpayers almost $2½ billion per annum.

Those opposite may try to argue that the extreme powers of the ABCC are necessary, that extreme measures are needed to tackle an extreme problem, that the ends justify the means. Well, we could have a debate about that if, in fact, the ends were justified. But, as well as being draconian, the ABCC is also ineffective. So what is the point of suffering the side effects, if you cannot even treat the disease?

As I said earlier, Labor abhors corruption, and we are serious about tackling it. In government we introduced the Fair Work Building and Construction agency as a watchdog for the building and construction industry. While those opposite continue to argue the need to reintroduce the ABCC, the Fair Work Building and Construction agency is actually outperforming the former ABCC. It has undertaken more investigations, concluded more investigations and has brought matters to court faster. Just to give you a quick example: from their own figures in the 2012-13 financial year, Fair Work Building and Construction recovered $1.6 million in wages and entitlements for over 1,300 workers and closed 63 sham-contracting investigations. The outcomes of these cases included three with court penalties imposed, 15 settlements, one written undertaking and five letters of caution.

If anyone following this debate wanted to see evidence that the reintroduction of the ABCC is about going after unions and workers, they need look no further than the advance release of the proposed Building Code. As highlighted by the Australian Council of Trade Unions in their submission to the Senate inquiry into these bills, the code contains a number of restrictions on legitimate workplace relations practices.

These restrictions include: individual employment contracts can be made, but collective employment contracts cannot; enterprise agreements with building companies cannot prescribe safe staffing levels; enterprise agreements with building companies cannot contain terms to ensure that labour hire workers are not discriminated against in their rates of pay for doing the same work; enterprise agreements with builders cannot insist on only skilled, trained tradespeople doing dangerous work; building company managers and union representatives are not allowed to agree to meet at building sites; and the Fair Work Commission is not allowed to resolve disputes freely—for example, if workers complain about unfair rostering or unfair treatment of their leave requests, the Fair Work Commission cannot remedy the unfairness because it is not allowed to limit the employer's right to determine who does what work when.

The ACTU submission also reveals the farcical requirement that enterprise agreements must be compliant with the code from the 24 April 2014. That's right—2014. In other words,
a number of businesses would be noncompliant once this legislation is passed. The only way they could become compliant is by seeking to vary or terminate their existing enterprise agreements, which could lead to legitimate disputes.

I hear those opposite continue to argue that we need a strong watchdog to clean up criminal behaviour in the building industry. This argument is a complete furphy. Why? Because neither the ABCC nor Fair Work Building and Construction has been charged with investigating breaches of criminal laws; they cannot do it; they deal with contraventions of industrial law, which has always been civil matters not criminal matters. Even in the bill's explanatory memorandum, and in speeches from government members and senators both here and in the other place, we hear this argument advanced—that somehow the ABCC will crack down on violence and thuggery. But those opposite know very well that it cannot, and will not, do any such thing. If senators opposite truly believe that the current laws are not adequate to tackle corruption, violence and thuggery in the building industry, then why not introduce legislation that is actually directed at those things? The completely false assertion that this debate has anything to do with thuggery and violence is a ploy to paint Labor as not being serious about addressing it. The government is trying to scare people. The reality is that it is the government who cannot be taken seriously—because they do not even understand the provisions of their own legislation.

Back in February, when Senator Ruston reintroduced these bills to the Senate, she quoted the thoroughly discredited Econtech report in support of the government's case. The government would have more chance of digging up and reviving a corpse than restoring the credibility of that report. I do not know how many times we have to say it before it sinks in, but this report is clearly not worth the paper it is written on. It was written by a firm that has a history of churning out reports that launch ideological attacks on workers and unions. This firm has a reputation for producing modelling so inaccurate that even former federal justice Murray Wilcox said their work was 'deeply flawed and ought to be totally disregarded'. For all it's worth, the paper the Econtech report is written on may well have been used to wrap our fish and chips in. The government relies on this report for its argument because it cannot quote any credible modelling. The government seems to have an almost obsessive focus on union corruption, when the evidence is that corruption is far more widespread in other sectors, particularly in corporate Australia. The truth is that it is not union corruption that the government is so obsessive about going after, it is the unions themselves. (Time expired)

Senator RICE (Victoria) (12:32): I rise to speak on the legislation to bring forward the Australian Building and Construction Commission. The Australian Greens stand strongly against the reintroduction of the ABCC. The ABCC is an attack on the rights of workers—their civil rights and their right to have a safe workplace. In standing up to oppose this legislation today, I am standing up for the rights of more than a million Australians at work. What we are presented with here in this legislation by the Liberal government is a choice that goes to the very heart of our what our vision is for Australian workplaces. It is a choice that fits very clearly with this government's agenda of being on the side of big money and big business and working against the interests of ordinary hardworking Australians. It is a return to an agenda that unites the Liberal Party, where they cannot be united on other things; it unites them in an agenda of union bashing and attacking the rights of ordinary workers in their workplaces.
In particular, this legislation presents us with a choice: to give people a balance between their work and the rest of their lives or to take that balance away. It presents us with a choice for people to be able to take off important public holidays such as Christmas or Easter or to remove those protections as this government seems intent to do. It presents us with a choice between giving young people a start as apprentices or reducing these opportunities. It presents us with a choice between making sure older Australians are not discriminated against in their workplace or not. And it presents us with a choice between making sure Australians feel safe and are safe at work or not.

These things are under attack in this legislation—including in the Building Code, which is part of this legislation. For example, what is at risk in the current Electrical Trades Union construction agreement? Seventy six clauses of that agreement could be prohibited—and this is just one example of the targeted industries. We have a choice in this place, but if the government gets its way on these provisions in the Building Code, Australians who rely on these safeguards for their pay and conditions will not have a choice.

The government is very open about this being an attack on the CFMEU but coy about the broader intentions of what they are trying to achieve by reintroducing the Australian Building and Construction Commission—a broader anti-union attack, a broader attack on the unions. The Building Code provision will enable the federal government to prevent local agreements having clauses for a range of matters, including guarantees on the number of apprentices. The government wants to wage war on all unions—the organisations that protect people's rights at work.

The Building Code will apply not just to employers tendering for government construction projects; it will apply to all employees working for private sector entities tendering for government work; it will apply to all entities that provide transport or prefabrication manufacturing to government jobs; and it will apply to other entities, including contracting or transport suppliers. When things go wrong in these workplaces, it is the unions that are stepping up and looking after the affected workers and their families. This bill will give people in the construction industry fewer rights—just because of the industry that they work in. It will give them fewer rights at work than accused criminals and even accused terrorists—in the form of new secret police who will have the right to take workers off the site and pull them in for questioning. The workers will not have the right to silence; they will not be able to talk to others about the fact that they are being investigated.

We may have changed Prime Minister's last year, but the government has not changed its spots. This bill is taking us back to the worst of the Abbott years. You can just imagine some in the coalition party room lighting up their cigars and concocting some good old-fashioned union bashing. This is the Prime Minister's attempt to trigger class warfare. The government is still seeking to divide rather than to unite. It is still governing for the big end of town—still governing for big money and for big business—while targeting those who can afford it least. Rather than governing for all Australians, it is still playing these political games, including bringing us all back here for three weeks at the cost of millions of dollars—millions of our precious taxpayers' dollars—to try and force the same old attacks on unions through the parliament. And you wonder why people are sick of politicians. Let us be clear: this is purely a political attack by this government.
If the government was serious about weeding out corruption, it would introduce a federal independent commission against corruption. We will be moving an amendment to this legislation for that to occur. Our second reading amendment will be that the bill be withdrawn and redrafted to provide for the establishment of a broad-based, anti-corruption watchdog—because, in its current form, the bill is an attack on workers and their unions and is not about addressing corruption at all. We have seen the consequences of such a body in the New South Wales parliament, where giving ICAC teeth came back to bite the Liberal Party. But at this time, amid a huge tax avoidance scandal and after helicopter trips and dodgy donations, the coalition lacks the courage to introduce an anti-corruption body at the federal level. This lack of courage has been made even clearer by the government refusing to support the Greens' call for a royal commission into the big banks and the financial sector—a sector where we have heard, time and again, of alleged misconduct; white-collar crime which has affected the lives of tens of thousands of victims. If the government was serious about tackling corruption and wrongdoing it would get behind the Greens' call to set up a royal commission.

The Greens are similarly committed to our vision for a national integrity commission. This would have three arms. We would have a national integrity commissioner who would be responsible for the investigation and prevention of misconduct and corruption in all Commonwealth departments and agencies, and among federal parliamentarians and their staff. Secondly, it would have a watchdog to ensure that law enforcement has some independent oversight—so it would be responsible for the investigation and prevention of corruption in the Australian Federal Police and the Australian Crime Commission. Finally, it would have an independent parliamentary adviser who would provide independent advice to ministers and parliamentarians on conduct, on ethical matters, and on the appropriate use of their parliamentary entitlements.

These are the sorts of broad-based, fundamental measures that we need to see in place to be tackling issues of corruption across Australian society. But, instead of such a broad-based body, the ABCC is aimed squarely at the Liberal Party's political rivals and, like any politically motivated attempt to attack your enemies, the public sees through the facade—just like they saw through the farcical and secretive royal commission into trade unions. And it is destined to fail. Indeed, it has failed before—the Liberals' first go at the ABCC failed. It failed to be an independent regulator committed to the best interests of the industry, the conditions of people at work and the needs of legitimate employers. The first go at the ABCC was unwilling or unable to address industry employers engaging in illegal activities, including the widespread use of misleading contracts. Construction companies signing up workers as independent contractors instead of hiring them as employees remains a serious issue that reduces industry standards. For employees, it means they lose out on basic work and safety rights.

The construction industry is one of this country's top four most dangerous industries, yet the old ABCC never took an employer to court over breaches of occupational health and safety laws, and the number of deaths in the construction industry increased during the period that the ABCC was in operation. In 2004, the number of deaths was 3.14 per 100,000 workers. In 2007, it stood at 4.8, and in 2008 it was 4.27 per 100,000 workers. Deaths in the construction industry are an appalling thing for us to have to be living with here in our Australian workplaces. We need to have measures in place that truly address the issue of
improving safety at work. The ABCC in its previous incarnation was reducing safety at work. Every death on a construction site—any death at work—is something to be fought hard against. By reintroducing the ABCC, it is certain that safety levels would decline, and it is certain that deaths would increase. And yet, as part of this, the coercive powers of the ABCC would subject construction industry workers to secret interrogations and force them to answer questions under oath, resulting in construction workers having fewer rights than other workers, and lessening their ability to stand up for their rights at work and to stand up for the right to a safe workplace.

The attempt to go back to the future with another ABCC is indicative of the failure of Prime Minister Turnbull to turn the government around after the regressive leadership of Tony Abbott. We were promised that the rise of Mr Turnbull to the position of Prime Minister heralded a new era, and that we would no longer have Tony Abbott's three-word slogans. But just now we have heard the government's agenda, spouting the lines of the Treasurer about jobs and growth. But what is the value of jobs if people do not feel safe in their workplace? What cost is the government willing to pay for growth, if mums and dads do not have the time to spend Christmas with their children? Or worse, what if they are not around to see their children grow up, because of workplace accidents? The Greens believe a person should not have fewer rights than an accused criminal simply because they work in the building industry. People should not fear being hauled into secret interrogations and inquisitions, and being forced to name names under threat of imprisonment. We do not want or need McCarthyism in the building industry.

The Greens and the Australian people see this for what it really is: an attack on people's rights at work and a distraction from dealing with the very real issues of corruption and wrongdoing that span every industry. We will always stand up for people's rights at work, and we urge all senators to reject this legislation and not support this bill. In doing so, I move:

Omit all words after "that", substitute "the bill be withdrawn and redrafted to provide for the establishment of a broad-based anti-corruption watchdog, because in its current form it is an attack on workers and their unions and is not about addressing corruption at all".

(Quorum formed)

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (12:47):  I rise to speak against the Building and Construction Industry (Improving Productivity) Bill 2013 [No. 2] and Building and Construction Industry (Consequential and Transitional Provisions) Bill 2013 [No. 2]. These bills seek to take us back to the dark old days of the Work Choices era in an attempt to bring the Australian Building and Construction Commission, ABCC, back from the dead. Put simply, this is a plan to restore a failed body that was built on flawed premises in order to demonise construction industry workers and those who represent them.

Under this legislation the ABCC will have extreme and unnecessary powers, powers that would fundamentally compromise basic civil liberties. ABCC mark 2 could compel ordinary workers to attend secret meetings. Not only that, they could be threatened with imprisonment in order to get information. They would have no access to legal representation and no right to remain silent. These are people who have not committed a crime, but they could be treated like criminals. Let us be clear: there is no other worker in the federal system who has this sort
of draconian regime imposed upon them, and it is fundamentally undemocratic to impose this on workers within the building and construction industry.

The real irony of the bill before us, today, is that the government does not want it to pass. Despite all the huffing and puffing, despite all the hyperventilating about corruption—which, incidentally, this bill is not designed to address—despite the campaign of misinformation being waged by those opposite, this bill is merely a strategic means of ending this 44th Parliament in a double dissolution. Whilst these bills fit neatly with the Liberals' ongoing attacks on workers and the organisations that represent them, what those opposite truly want is to justify a mad dash to a double dissolution that would silence dissent by clearing out the crossbench.

If those opposite truly cared about getting the ABCC passed they could have brought it back for a vote at any time in the past eight months, without spending hundreds of thousands of dollars—perhaps even millions—to recall parliament. But this has not happened. In fact, since the bill was last defeated in this place the government has not sought to negotiate at all with the opposition or the crossbench about potential amendments. Of course, there is no other reason than that those opposite want to cut and run to a double dissolution. That is because it is becoming patently clear to the Australian people that they have been sold a dud.

The exuberance and relief that Australians felt when Mr Abbott was removed from the top job is rapidly being displaced by disappointment, verging on despair, by the man who took over. In Mr Turnbull, Australians thought they were getting a Prime Minister who would turn his back on the toxic, vicious policies of his predecessor and truly govern in the interests of all Australians. Instead, they got Mr Abbott in a top hat. Australians thought they were getting a Prime Minister who understood the importance of developing an innovative country that could take a leading role in the global digital economy. Instead, they got a man who continued to back-in last century's broadband network and maintain millions of dollars in cuts to vital research.

They thought they were getting a man who believed in better wages for low- and middle-income Australians. Instead, they got a man who continued the savage Abbott era attacks on workers and the organisations that help them get a better deal. They also thought they were getting a man who understood the importance of fairness, a man who recognised that growing inequality is not just a problem for those who are losing out but one for the entire nation. Instead, they got a man who continued to go after low- and middle-income Australians while backing-in 'one per centers' who laid claim to an ever-increasing portion of the national wealth.

What we have in Mr Turnbull is a man who refuses to do anything meaningful about massive tax avoidance by extremely wealthy companies and individuals—but he tried to hike the regressive GST, which would hit low-income Australians the hardest. Of course this growing realisation in the electorate is starting to show up in the polls as the Prime Minister's carefully constructed but totally fictitious mask of a moderate man is falling off, policy by policy. The Liberals know that they have a limited window of time before the game is well and truly up, so they want to get an election as soon as they can.

This ABCC double-D scramble also serves another purpose: as a smokescreen to distract voters from the Liberals' shameful performance in government and their complete and utter lack of policy direction. The reality is that most Australians neither know nor care about the
ABCC. In the past 2½ years I have received tens of thousand of pieces of correspondence calling for a change on many hundreds of federal issues, but in all this time I have not received a single one from a constituent calling for the reinstatement of the Australian Building and Construction Commission. Not one. I expect that the vast majority of senators and members in this place would have a very similar experience. It makes the Prime Minister's decision to cut and run to an extraordinary double dissolution election, on the basis of this legislation alone, as transparent as it is self interested. By hyperventilating about unions and going after construction workers they are hoping to avoid tricky national conversations about those issues that affect the majority of Australians.

This extraordinary farce of proroguing the parliament demonstrates further how unwilling the Prime Minister is to fight an election on the things that really matter to Australians. He does not want to talk about the Liberals' wish to slash penalty rates and conditions for Australian workers, or their myriad attempts to hand over Australian jobs to foreign workers. He does not want Aussies reminded that he is doing nothing to reduce the $10 billion hit the budget takes each year from tax breaks for capital gains and negative gearing—more than we spend on child care or higher education. He does not want the conversation to turn to the Liberals' complete lack of action on billions of dollars' worth of superannuation tax breaks that are largely used by the wealthy to reduce their tax bill. He does not want to talk about the $80 billion cuts he is levying on schools and hospitals or the Liberals' attacks on pensions, family support, TAFE, university fees and universal health care. He does not want us to think any further about the fact that only a few weeks ago he wanted to dump funding for public schools entirely. He does not want Australians to be reminded of the fact that the Liberals are cutting $650 million from pathology and diagnostic imaging—the very services that saves lives by identifying serious health problems so that they can be addressed and treated early. He does not want the national conversation to turn to the fact that those opposite have no plans, no policies and no vision for the economic future of the country, especially when contrasted with Labor, which has already released more than 70 fully funded policies which will deliver $70 billion in savings. He does not want to talk about marriage equality or climate action, having already made a deal with the Liberal hard right that nothing of substance will change. He would rather not get into tricky conversations about why he is marching forward with Mr Tony Abbott's plebiscite on marriage equality, which has been estimated to cost the country around half a billion dollars, rather than making the parliament do its job. He does not want to stand on his record of trashing Labor's first-class, fibre-to-the-premises NBN, which Australia will need to compete for business and investment in the global digital economy. He also does not want to admit that the Liberals have no plan for the economy after doubling the deficit, blowing out the budget and hiking taxes.

Just for the record, these are not just Labor lines—they are an undeniable reality. Figures from the Australian Office of Financial Management reveal that the two greatest annual increases in debt from the past 10 years have been under this Liberal government. In fact they added a whopping $111.36 billion in just two years. Things have been even worse for the deficit, which has doubled under the Abbott-Turnbull government. Let us not forget that this so-called party of lower taxes has actually hiked taxes to levels not seen since the tax-happy Howard government. In fact, the national tax take has been up every year under this government, and total tax as a proportion of the economy is higher than it ever was under the former Labor government.
Six months ago Mr Turnbull promised economic leadership and a mature debate on reform. Since then we have seen dysfunction, division and baseless scare campaigns, but no plan for economic reform. It seems that Mr Turnbull, lacking courage to make hard decisions, now has only one thing on his once overflowing table: tax cuts for the rich, despite the revelation that one in three of Australia's largest private companies did not pay tax last financial year. Wealthy Australians earning more than $180,000 a year look set to get an extra two per cent tax cut that will see the very Prime Minister here take home an extra $6,500 a year. Meanwhile, a couple with two kids on a single income of $65,000 will be $2,141 worse off. How does that add up to fairness?

In recent weeks we have seen breathtaking revelations of the global structures that are set up to allow very rich individuals and companies to hide their wealth and avoid paying tax. While ordinary Australians are required to pay their fair share of taxes, this government refuses to address the scandalous opt-out options that are available to the extremely wealthy. While it is difficult to get an estimate of how much tax avoidance is costing the country, there is little doubt that it stretches out to many billions of dollars each year. If even 10 per cent of corporate income tax were being lost to aggressive minimisation structures, Australia could be losing as much as $26 billion over four years. The fact that around a third of the largest companies operating in Australia actually pay no tax—none at all—suggests that the foregone revenue could be much, much higher.

When companies fail to pay their fair share of tax, revenue must be found elsewhere from other businesses or everyday Australian workers. But the Liberals have not just failed to act on this colossal issue; they have actually contributed to the problem. In fact this government has gutted the Australian Taxation Office by sacking more than 4,000 ATO workers—the very people that we need to investigate tax avoidance and return that money to the budget. Not only that—those opposite also fought tooth and nail to tear down Labor's reforms that would allow Australians to learn how much more tax our wealthiest private companies are paying.

But it is not only tax avoidance that this government is backing in over the national interest. It has also refused to do anything about the ongoing and systematic bad behaviour of our banks. In fact, the Prime Minister himself even admitted very recently that there is a serious issue. But do you know what he did then? Nothing. The fact is that the confidence and trust in the financial services industry has taken a huge hit over recent years. We have seen older Australians have their retirement savings gutted. We have seen families rorted out of hundreds of thousands of dollars. We have seen life insurance policy holders denied justice. We have seen very serious suggestions of rate fixing, a culture agreed, abrogation of responsibility and predatory behaviour. There are literally tens of thousands of victims—quite possibly many more. Australians and investors need to have confidence in their banks and financial institutions if they are to continue to prosper. But if we are to achieve this, we need to uncover and deal with unethical behaviour that compromises this confidence.

Australia has one of the strongest banking systems in the world, and Labor wants to make it even stronger. This is why Labor has promised that a Shorten Labor government would hold a royal commission into the decisions and behaviours of the banks and other financial institutions. Since this important move was announced, we have seen those opposite tie themselves in knots trying to justify their inaction and do everything they can to hold off
scrutiny into the banks. They have even tried to argue that by making the banks more accountable and more ethical we are somehow compromising their business model. Not only are they trying to block legitimate investigation but the Abbott-Turnbull government actually cut $120 million from the corporate regulator, ASIC, all but ensuring that it would not have the resources to do its job.

Australians are not stupid. They can see what is going on. They are thoroughly sick of the Liberals putting vested interests ahead of what is good for the country. Of course, the relentless attack on unions, like the bill before us today, is yet further evidence of the Liberals kowtowing to their big business masters. Mr Turnbull and his friends in the government know very well that if they can weaken unions then they can keep the money flowing to the top end of town. When we have a diminished union movement, this is exactly what has happened. Let us be clear: this is not just speculation on my behalf. No—it is backed up by research at the International Monetary Fund, which found a strong link between declining union membership, ballooning CEO wages and increasing inequality. Not only that but the same research shows that income concentration at the top can, ‘Reduce a population’s welfare if it allows top earners to manipulate the economic and political system in their favour.’ The IMF is not a body known for its left-wing tendencies. This is not about ideology; this is about the facts.

I would now like to return to the specifics of the bill, but would I like to start by addressing a few myths that those opposite have been shopping around to anyone who will listen. Firstly, the bill is not about clearing up corruption, despite what the Prime Minister wants us to believe. In his letter to the Governor-General advising him to prorogue the parliament, Mr Turnbull stated:

The Government regards this legislation as of great importance for … taking strong measures to deal with widespread and systematic criminality in the building and construction industry.

But this lie has been revealed for what it is—ironically by the Chief Executive Officer of Master Builders Australia, Wilhelm Harnisch. When asked about this in a recent radio interview, Mr Harnisch directly contradicted the Prime Minister when he said:

So those people who are saying that this about dealing with criminality and corruption are missing the point.

He went on to say:

… I mean the matter of criminality and fraud are totally separate from the ABCC and there are agencies that deal with criminality.

Mr Harnisch is absolutely correct. The ABCC has no power to investigate breaches of criminal law or corruption. The Fair Work Building and Construction agency already has significant powers to respond appropriately to any unlawful behaviour in the industry—a fact that this bill wilfully ignores. There is no systematic gap within the current system that a resurrected ABCC would fill. In fact, the Fair Work Building and Construction agency is working more effectively than the ABCC ever did in its day.

The second piece of misinformation being peddled by those opposite about this bill is that restoring the draconian ABCC would improve productivity in the construction industry. Many of those opposite have tried to claim that this previous incarnation of the ABCC did exactly this. Again, this is totally untrue and completely at odds with the official data from the Australian Bureau of Statistics. The data tell us that there has been a continuous improvement
in productivity in the industry since records began in the late 1980s. In fact, the rate of improvement in the seven years before the ABCC was introduced was better than in the seven years that the ABCC was in place, and it has continued to improve since the ABCC was abolished.

Another blatant misrepresentation those opposite have been trying about this bill is that it is somehow a recommendation of the tainted royal commission into trade unions. the ABCC bill and the registered organisations bill precede the findings of the politically partisan royal commission. In fact, both bills were introduced before the royal commission began and were defeated before its conclusion. The government has taken no steps to implement the recommendations of its $80 million taxpayer-funded royal commission. In contrast, Labor has announced a package of governance changes aimed at deterring and detecting corruption in unions, including doubling the maximum penalties for all criminal offences under the Fair Work (Registered Organisations) Act. Labor will not shy away from cracking down on criminal behaviour, whether by employers, employees or union representatives. But, similarly, we will not stand idly by while millions of dollars are being sucked out of vital services and nothing is being done to address the massive tax breaks that are being given to the wealthiest companies and individuals.

The difference between Labor and Liberal at the upcoming election could not clearer. While the Liberals continue to back the big end of town and to attack the organisations that fight to secure a better deal for workers, Labor has a plan to govern for all Australians. We will not be cowed into not addressing the issues that really matter to those people in our community who are doing it tough at the moment—and who will continue to do it tough if this government continues to be the government.

Senator LAMBIE (Tasmania) (13:07): I rise to make known my views and my vote on the Building and Construction Industry (Improving Productivity) Bill 2013 [No. 2] and the Building and Construction Industry (Consequential and Transitional Provisions) Bill 2013 [No. 2]—or, as most Australians have come to know these bills, the ABCC legislation. It will not come as a shock to the Senate when I say that I will not support this legislation and that, as I have done in the past, I will be voting against it when the second reading vote is called. In the course of this speech, I will detail the reasons why I have decided to oppose this legislation.

Despite voting against this legislation in the past, in an expression of goodwill when Mr Turnbull first became Prime Minister, I wrote to him and met with him. I suggested that I could vote for the legislation if he was prepared to agree to a couple of small concessions—deregistration of the CFMEU and the establishment of a federal ICAC—which he dismissed. However, as the community debate about these bills continued, and I received more detailed briefings from different stakeholders—especially valuable were the submissions from the Law Council of Australia—it became obvious that this legislation has more holes in it than a target at a shooting range. I will turn to the information that I received from the Law Council of Australia shortly. However, it is important at the beginning of my contribution to this debate to note that the great majority of Australians, including Tasmanians, are confused or unsure about the ABCC legislation.

Most understand that this legislation is likely to be historic. There is a high probability that it will be defeated in this chamber and that this will lead to a double dissolution election on 2
July. I am not scared by the thought of a double-D election—my vote will never be influenced by threats of a double-D election from this Prime Minister. I will vote according to the merits or otherwise of this legislation in the best interests of Tasmanians. It is clear that the best interests of Tasmanians are served by strongly opposing this legislation. Indeed, the average Tasmanian has little concern for the ABCC bills. Average Tasmanians are trying to provide for their families; they are losing their jobs, or they are trying to find jobs for their children. They are trying to access affordable and timely health care in a state public health system that is broken and badly politically managed, and to keep warm over the winter while the threat of power cuts looms after the Liberals have yet again mismanaged another essential basic service in Tasmania. They are trying to save their trucking businesses after a bunch of out-of-touch government officials made a ruling that took away 90 per cent of their businesses in a matter of hours. This is what matters to Tasmanians right now. They do not have the time or energy to invest too much energy worrying about the Liberals' ABCC legislation and the PM's tricky political tactics. Indeed, most Tasmanians would be stunned to learn that this building legislation will not help them if a dodgy builder rips them off while building a house or renovating the family home, because this legislation deals with the commercial building sector, not the residential sector.

There are big problems within Australia's residential building industry. Dodgy builders, often those who have gone bankrupt many times, are allowed by state government building watchdogs to reinvent themselves, and to continue to trade and rip off mum-and-dad investors in our property markets. Of course, I am not forgetting the subbies and the tradesmen who are also taken down when a builder declares himself bankrupt one day, and then opens for business under another name, perhaps in a different state, a few weeks later. Those important issues are not dealt with in this legislation. We could be talking about the introduction of a national building licensing register to replace state based arrangements and a limit of one licence per builder, with lifetime industry-wide bans imposed on those found guilty of construction-related fraud and tax evasion. Instead, we have this legislation which the Law Council of Australia—representing about 60,000 lawyers—has laughed at. This legislation has no justification. It is simply designed to bash the unions, to take away basic civil rights from ordinary citizens and blue-collar workers, and to give the Liberal Party of Australia a political advantage over everyone else, as they call an early double dissolution federal election.

I now turn to some of the details of this legislation. When considering the structure of the bill, Parliamentary Library research states that the bill contains nine chapters: chapter 1 contains preliminary material, including definitions which extend the scope of building and construction regulation, and chapter 2 establishes the ABCC and the position of the ABCC Commissioner—the commissioner. Chapter 3 provides the minister with the power to issue a Building Code; chapter 4 establishes the Federal Safety Commissioner; chapter 5 deals with unlawful action, including a new offence of unlawful picketing; chapter 6 deals with coercion, discrimination and unenforceable agreements; and chapter 7 deals with the powers of the commissioner and other authorised officers to obtain information. Chapter 8 deals with enforcement, and chapter 9 contains miscellaneous provisions, including provisions to do with handling of information, powers of the commissioner, and the courts.
I had not realised just how badly written this legislation was until I met with the Law Council of Australia and had a number of consultations and briefings with them. For those who do not know about the profile, independence, credibility and purpose of the Law Council of Australia, it may be worthwhile to remind the Senate of a few important facts. The Law Council was established in 1933 and represents 16 Australian state and territory law societies, bar associations and law firms of Australia, which are known collectively as constituent bodies. The constituent bodies are made up of all of the Australian states' law societies and most Australian bar associations, including the Law Society of Tasmania and The Tasmanian Bar. Their profile says that the Law Council effectively acts on behalf of more than 60,000 lawyers right across Australia. They exist to represent the legal profession at a national level, to speak on behalf of its constituent bodies on national issues, and to promote the administration of justice, access to justice and general improvement of the law. After consulting with the Law Council, it is clear to me that the ABCC will not lead to an improvement to Australian law. In fact, the opposite will happen. Should this legislation pass the Senate, the general rule of law will be weakened—and 60,000 lawyers agree with that statement.

There are a number of key difficulties that the Law Council has found with this legislation. Other bodies such as the Senate Standing Committee for the Scrutiny of Bills and the Parliamentary Joint Committee on Human Rights have identified the same key concerns, which are: (1) the provisions of this bill only deal with corruption in the building and construction sectors and not more broadly across various industries; (2) it applies a different set of industrial relations rules that apply only to persons associated with the building and construction industry; (3) they provide new coercive powers with retrospective operation; (4) there is exclusion of judicial review of certain decisions without adequate justification and contrary to a recommendation by the former Administrative Review Council; (5) there are inappropriate delegations of legislative power; (6) there are insufficiently defined and overly broad discretionary powers; (7) it inappropriately reverses the onus of proof in certain circumstances; (8) it inappropriately permits entry onto premises without consent or warrant; (9) there is a lack of oversight in the process of authorising the use of extraordinary coercive information-gathering powers; (10) the prohibition on picketing and further restrictions on industrial actions has been found by the Parliamentary Joint Committee on Human Rights to be incompatible with the right to freedom of association and the right to form and join trade unions; (11) the Australian Building and Construction Commissioner may exclude a particular legal practitioner from an examination if the commissioner concludes, on reasonable grounds and in good faith, that the representative either will or may prejudice the investigation.

In summary this legislation allows for: new coercive powers with retrospective operation, exclusion of judicial review without proper justification, inappropriate delegations of legislative power, insufficiently defined and overly broad discretionary powers, inappropriate reversal of the onus of proof in certain circumstances, a lack of oversight in the process of authorising the use of extraordinary coercive information-gathering powers, incompatibility with the right to freedom of association and the right to form and join trade unions, and exclusion of a particular legal practitioner from an examination. These are the reasons why the Law Council of Australia, an independent, credible expert legislative body representing
60,000 Australian lawyers, effectively says that this is bad, poorly written legislation. These are the reasons why this legislation should not be passed.

During the last sitting of this parliament I had a meeting lasting about 45 minutes with Minister Cash and her legal adviser and raised these Law Council concerns. We also talked about section 62, which takes away the right to silence for an Australian citizen who appears before the commission. Section 62 allows the government to charge an Australian citizen and have that citizen imprisoned for six months should that citizen choose to say nothing and exercise a right to silence during an official interview. It is found on page 49 of the Building and Construction Industry (Improving Productivity) Bill and reads:

62 Offence for failing to comply with examination notice

A person commits an offence if:

(a) the person has been given an examination notice; and
(b) the person fails:

(i) to give information or produce a document in accordance with the notice; or
(ii) to attend to answer questions in accordance with the notice; or
(iii) to take an oath or make an affirmation, when required to do so under subsection 61(5); or
(iv) to answer questions relevant to the investigation while attending as required by the examination notice.

Penalty: Imprisonment for 6 months.

A couple of things came out of our discussion with the minister with reference to section 62. Firstly, as it stands written, we are not sure if the imprisonment for six months for exercising a right to silence is a mandatory, minimum or maximum period of time. It is bad enough that this extreme legislation is being entrusted to public servants with doubts over their qualifications, but to have a question mark over whether is it a minimum, maximum or mandatory sentence is careless and an example of very poor legislative drafting.

The minister tried to calm my office's fears about removing a basic civil liberty from Australian citizens—that is, their right to silence—by informing me that the government had arranged for an indemnity from prosecution for any crime should someone be forced to incriminate themselves during those extreme interrogations. When asked about the sorts of crimes that this indemnity covered, the minister was forced to admit that even if someone had committed a murder and confessed to that crime during an ABCC official interview they would receive an indemnity—as long as the murder was related to the building industry, because if you have committed a murder that is not related to the building industry and confess during an interview covered by the provison of the ABCC legislation then you do not qualify for an indemnity.

This response raised eyebrows with the Law Council. Firstly, it is ridiculous that this parliament is being asked to legislate to give you an indemnity to murder should you confess during an interview. That gem came from the minister's own mouth in my office. Secondly, it is completely bizarre that the minister and her legal adviser can suggest that one type of murder qualifies for an indemnity while another murder simply does not. According to the minister, if you bury the body under cement and say the murder was related to the building industry, then you have indemnity. But if you buried the body in the woods and the murder was carried out because of a non-building related activity, you do not get an indemnity from
prosecution. That was the point where it became clear that this legislation was, quite simply, drafted by a roomful of monkeys and a typewriter.

It is very bad and poorly drafted and has scant regard for the rule of law and basic democratic rights in this country. The Law Council of Australia confirmed my opinion after a subsequent meeting to discuss the minister's briefing. I admit that there was a period when, in good faith, I would have passed this legislation had the government met certain conditions: the deregistration of the CFMEU, a viewing of the royal commission secret reports and the establishment of a federal ICAC.

As my research and consultation on the ABCC progressed over the months, my trust in Commissioner Heydon was shattered when it became blindingly obvious that he had lied to the people of Australia about the so-called grave threats he had discovered to the power and authority of the Australian state. I am in a unique position to pass judgement on Commissioner Heydon's secret reports and findings. Unlike most Australians and politicians, I have read Commissioner Heydon's secret reports. It is fiction and it is a lie. There are no grave threats to the Australian state. If there were, ASIO would have been all over the Heydon royal commission like a bloody rash. They would have been over it and they would have known about it. When I questioned ASIO at estimates about Heydon's secret reports, no copy had been referred to them nor had ASIO even thought of asking for a copy of the secret reports. A royal commissioner who agreed to participate in a Liberal Party fundraiser lied to the parliament and the Australian people about the seriousness of the threat to the Australian state through his investigations into union and other corruption. This is the debate in which the question 'Why?' must be asked.

According to Parliamentary Library research I recently commissioned, over a five-year period from 2010-11 to the present day the four big banks—the Commonwealth, NAB, Westpac and ANZ—have donated $2.56 million to the Liberal and National parties. That is why you will not see a banker lose their right to silence or prove their innocence if they are accused of an offence or crime in the finance industry. But if this legislation passes you will see blue-collar workers lose their right to silence and the right to a presumption of innocence while bankers are treated separately. Indeed this law is so bad that citizens accused of murder and rape will have more rights than a construction worker if summoned under the ABCC legislation.

On 26 August 1789 the representatives of the French people organised as a national assembly—believing that the ignorance, neglect or contempt of the rights of man are the sole cause of public calamities and of the corruption of governments. They set forth a solemn declaration detailing the natural, unalienable and sacred rights of man. This declaration has had a profound effect on the formation of modern Western democracies and their rule of law. Article 6 of the Declaration of the Rights of Man and of the Citizen states in part with relation to the law:

It must be the same for all, whether it protects or punishes.

The United Nations Universal Declaration of Human Rights, adopted and proclaimed by the General Assembly of the United Nations on 10 December 1948, states in article 7:

All are equal before the law and are entitled … to equal protection of the law.
If this ABCC legislation passes, bankers have more legal rights than blue-collar construction workers. This principle of equality before the law is one of the main foundations Australia was built on. It is one of the reasons we fought wars against dictatorships and totalitarian countries. Liberals love quoting a glib and misleading catch phrase when trying to sell this legislation: 'Oh, we need a tough cop on the beat.' Well that cop had better treat blue-collar workers the same as bankers—that is why we need to tackle corruption with a federal ICAC.

I strongly oppose the ABCC legislation and in Tasmania's best interests will vote against it at this second reading stage.

Senator Muir (Victoria) (13:25): I rise to speak on the Building and Construction Industry (Improving Productivity) Bill 2013 (No. 2) and the associated transitional bill. First, I want to take this opportunity to raise some issues that I think have been lost amongst the ideological battle of words across the chamber and in the media. In 2012, the Labor Party had the numbers to completely abolish the ABCC and send a message to the Australian people that the government does not single out construction workers. But they did not. Instead, the Office of the Fair Work Building Industry Inspectorate, also known as FWBC, was created. This office, which singles out the construction industry, was established by an act of parliament and it was passed by the Australian Labor Party.

The Education and Employment Legislation Committee of the previous parliament—the 43rd Parliament, that is; not the first session of the 44th—stated at page 8 of its report:

While the bill would abolish the ABCC, it would maintain separate legislative arrangements for governing the building and construction industry.

The previous government significantly changed the laws by introducing additional safeguards for compulsory examinations and removing the higher penalties that applied to the construction industry. However, despite calls from the union movement, they did not abolish the ABCC. This was mainly because of the findings of the review conducted in 2009 by Mr Murray Wilcox QC, which were debated at length during the 43rd Parliament.

I think the government has muddied the waters of this debate by throwing around allegations of corruption, connections to certain motorcycle clubs and criminal behaviour within the construction industry in order to justify the return of the ABCC. There may be instances of corruption and third-party standover tactics in the construction industry—there are a lot of colourful characters, I am sure—but this bill does not address these issues. I have lost count of the amount of times I have heard that the ABCC legislation should be extended to other industries or that with the flick of a pen this legislation could be turned into a national ICAC. These statements reflect a poor understanding not only of the policy issues behind the legislation but also of the legislation itself, and they also reflect the way the government has presented the legislation. I have publicly stated that the ABCC is not an anticorruption body but a body that enforces Australian industrial relations in the building and construction industry. It has nothing to do with tackling criminality and corruption but it seems this point has fallen on many deaf ears.

I want to make it clear that I am a proud supporter of unions and the union movement. As almost everyone is aware, I was a shop steward for the forestry division of the CFMEU in Victoria. Unions have played a critical role in ensuring that workers’ rights are protected and that workplaces are safe, and they will continue to do so in the future. However, I cannot ignore the overwhelming number of court cases where the CFMEU has been found to have
broken the law, or where they have admitted that they have broken the law. Since 2005 around $6 million in penalties have been issued against the CFMEU in cases initiated by the Building Industry Taskforce, the ABCC and FWBC.

I want to speak about the two concessions I wanted the government to make in order for me to support the legislation. During negotiations with the minister, I advised that I wanted the ABCC to investigate and prosecute complaints about wages and entitlements and sham contracting. Under the leadership of Mr Leigh Johns, the ABCC and the current regulator, FWBC, used to handle wages and entitlement matters relating to the building and construction industry. It did a great job, recovering over $2 million for over 1,500 workers. When the current director, Mr Nigel Hadgkiss, took over, he cited a need to return FWBC to what was called 'core business'. This includes coercion, unlawful industrial action and right of entry issues. In the agency's 2013-14 annual report, Mr Hadgkiss stated that, when he took over, more than 40 per cent of investigations related to wages and entitlements. To me, this seems like there was a problem with complaints about underpayments in the building and construction industry and that there was a regulator doing a pretty good job at rectifying that problem. For the period from 2013 to 2015, over $577,000 in penalties were imposed on companies for wages and entitlements and sham contracting contraventions as a result of FWBC litigation. Throw this on top of the couple of million bucks it recovered for construction workers and it is looking pretty good.

I have heard the argument that the Fair Work Ombudsman is the expert and is the appropriate agency to deal with these matters. The Fair Work Ombudsman does some fantastic work recovering wages from exploited workers in retail, hospitality and other industries, but I believe the ABCC would be best placed to pursue these matters in the construction sector. An industry update from FWBC in 2012 highlights why I think the ABCC should return to being a full service regulator. The following quote is from the November 2012 edition of the industry update, which is currently available on the FWBC's website. It quoted the chief executive, Mr Leigh Johns:

"FWBC's efforts in relation to underpaid building and construction workers have been more successful than when the FWO—

the Fair Work Ombudsman—

did this work for building and construction workers.

"Building and construction workers know now where to go to get assistance," he said.

Mr Johns stated that FWO did a "great job" but FWBC has had such great success because it deals specifically and exclusively with the construction industry.

The decision to take on investigations into the recovery of wages and entitlements was consistent with the recommendation of Royal Commissioner Cole, that the industry specialist regulator should "assist building and construction workers in the regulated community to recover under-payments when they seek our assistance."

How could the ABCC return to investigating and prosecuting matters relating to wages and entitlements and sham contracting? Under clause 17 of the bill, the minister may, by legislative instrument, give written directions to the ABC commissioner specifying the manner in which the ABC commissioner must exercise the powers or perform the functions of the ABC commissioner under this act.
There has been a lot of criticism that the ABCC will only focus on unions and will ignore the conduct of employers who are engaging in unlawful practices. I tried to seek an agreement with the minister that, if the ABCC is established, she will direct the commissioner to investigate and prosecute matters relating to wages and entitlements and sham contracting under the Fair Work Act 2009. In my opinion, a properly resourced unit within the FWBC which can investigate employers who underpay workers as well as investigate possible sham contracting arrangements will ensure that there is a more even-handed approach to tackling the problems of unlawful conduct in the building and construction industry. I believe the ABCC could be suitably resourced to undertake this additional work so that complex underpayment and sham contracting investigations would not diminish the capacity of the ABCC to investigate or prosecute the specific offences in the Building and Construction Industry (Improving Productivity) Bill 2013. I have it on good authority that there are some good people at the FWBC, and I am sure they can continue the great work in recovering underpayments for workers in the building and construction industry and protecting workers from exploitation. The ABCC is all about enforcing the rule of law on Australian building and construction sites, but the rule of law does not just apply to unions. There are some unscrupulous employers operating in the building and construction industry, and a well-resourced, 'tough cop on the beat' will be best placed to tackle them as well as the unscrupulous union officials who continue to ignore the law.

Unfortunately, I was not successful in reaching an agreement on this matter. There is no political will to do this and the excuse that it will distract from the ABCC's core business is a poor excuse and reflects the ideological battleground that this policy has been fought on. If the government were serious about improving productivity in the building and construction sector, it would see the merits of the ABCC being a full service regulator. Being a full service regulator is not an indulgence; it works—it takes a lot of effort, but it works. Perhaps the government prefers policing to regulating because it tends to involve less accountability to the public.

We know the building and construction industry is unique. This is why there needs to be an industry specific regulator to enforce the rule of law, but it seems this government is only serious about enforcing the rule of law on construction sites when it comes to unions and does not really care about the workers who are being exploited. The Fair Work Ombudsman can do that, the government would say. They are the experts, the government says. How hard could it be to set up a specialised unit within the ABCC that focuses on wages and entitlements and sham contracting? The ABCC and Fair Work Ombudsman should not be siloed on this issue. The ABCC will be on the ground and, to use the government's own words, 'a tough cop on the beat'. I have strong doubts that the restoration of the ABCC would solve the problems facing the construction industry. If you added up the millions of dollars spent on the building task force, the ABCC, the FWBC and royal commissions and compared it to the fines secured against the CFMEU, you would have to conclude it has been a very poor return on investment. Of course, if, in addition to these fines, those millions of dollars had resulted in a change in the CFMEU's behaviour, then the public value could be established—but that has not happened.

As a public policy measure, the so-called 'cop on the beat' has been a failure for the past 15 years. Only the head contractors and employers can change the industry. They need to change
their business model and government needs to empower them to do so. The only measure that has worked in the past 15 years was the Howard government version of the building code. It made it economically unviable for employers to do deals because to do so locked them out of work. They could say to the CFMEU, ‘If we do that deal, we will be prohibited from tendering, we won’t get the job and you won’t have members on the job.’ The CFMEU got the message. The use of procurement policy had a more effective impact on employer—and, consequently, CFMEU—behaviour than the ABCC-FWBC regulatory model ever has. The current 2013 version of the code is weak, so perhaps the only thing that is needed is a revised building code. I understand that there are some issues and concerns with the proposed building code, but, if the government is serious about changing the culture of the building and construction industry, it should make that its focus.

I also wanted to reach an agreement with the government on some amendments to the ABCC’s coercive powers. The agency that currently exists, the FWBC, was established by the Labor Party in 2012, and it has coercive powers. The legislation setting up the FWBC contains provisions that make it a criminal offence not to cooperate and also provides for a maximum penalty of six months imprisonment if somebody is found guilty of failing to cooperate. The opposition leader, Mr Bill Shorten, at a media conference on 15 April 2016 said that this legislation takes away rights from construction workers, giving them fewer rights than ice dealers and terrorists. I should not need to remind the opposition leader of this fact, but he was the Minister for Employment and Workplace Relations when FWBC was established. On 16 February 2012, the then Minister for Employment and Workplace Relations, Mr Shorten, said the following:

The bill retains coercive powers, as indeed Murray Wilcox QC recommended. I acknowledge that many in this place have put strong personal views about this element of the bill. I want to stress to those who are concerned about coercive powers that this bill also includes important safeguards recommended by Justice Wilcox for those who seek to use the powers and those who may be subject to them. The bill also contains a sunset on the use of these powers after three years, but only after a review. Together, these elements are measured and appropriate.

Yes, there were safeguards, but the substance of the coercive powers has not changed. Construction workers could be forced to answer questions—with the threat of imprisonment if they did not—under a Labor government, and the same can be said for a coalition government. For Mr Shorten to claim that somehow these coercive powers are a creation of the coalition government and to attach outrageous claims to it reflects exactly what is wrong with public policy debate in this country.

Currently, FWBC has compulsory examination powers, but examination notices are issued by a nominated member of the Administrative Appeals Tribunal, the AAT. I think this is an important safeguard, and one that was recommended by Murray Wilcox QC.

I am of the view that the current legislation should be amended so that examination powers of the ABCC reflect what they currently are under the Fair Work (Building Industry) Act 2012. At a minimum, section 47, which relates to the AAT issuing examination notices, should be adopted into the current legislation. I also think that it is important that a review into the use of these powers be undertaken within 12 months of the ABCC being re-established.
There is also one other minor issue that I want to address, which relates to outrageous claims being made that distract from having a factual, evidence-based debate on policy. This issue relates to claims that, when construction workers are forced to give evidence, they will not have the right to legal representation. I have heard this on more than one occasion. A quick glance at the bill shows it clearly states the opposite. Clause 61(4) of the bill states:
A person attending before the ABC Commissioner, or before an assistant, as mentioned in paragraph (2)(c) may be represented by a lawyer if the person chooses.
This may be a minor point, but if the senators in this chamber and the Australian public are not getting the correct information from senators debating it, how are they meant to?

I know I have previously stated that I would support the second reading. However, I have not been able to reach an agreement with the minister on these two concessions, so I do not see much point in continuing this debate. If the government will not even consider what I believe to be reasonable amendments—at least worthy of debate in this chamber—then let us get this bill, as it is presented, to a vote. Then the government can proceed with what it wants—an early election.

Senator RHIANNON (New South Wales) (13:40): The Building and Construction Industry (Improving Productivity) Bill 2013 [No. 2] reveals the level of deceit this government will go to; it is based on so many lies. It is not about addressing criminal activity in the building industry committed by workers or by the union. It is not about corruption by those people. It is about weakening and destroying the union movement. It also runs cover, actually, for many of the big players in the construction industry—the developers of this nation. Those people, those company directors and those companies, are some of the biggest donors to the Liberal Party—many of them also to Labor, but particularly to the Liberal Party.

We need to bring the threads together here of what is really going on, because there are serious problems in the building industry—problems that have been exposed and need to be addressed. But it is not about how unions are operating; it is about how the big companies, particularly in our big cities, are treating the subcontractors, and how that whole chain of operations plays out. Tragically, so often how it plays out is that, because of corners being cut so that profits can be made, people die. And that is what should be at the heart of this debate if you want to be serious about looking at the construction industry and how it should be improved.

If we were serious about cleaning up the construction industry, the government would be tackling the culture where company directors show contempt for the law. That is being set out very clearly, particularly in the Senate inquiry into insolvency. But we see it all the time—there are so many rules that are broken and laws that are not abided by, and company directors get away with it. That is why that culture has developed. We know that it is a serious problem because, even with the old ABCC, no company director was taken to court. How can you be serious about addressing problems in this industry if not one employer is taken to court? Then there is the issue of political donations. I will come to that in more detail in a moment.

But first off, let us look at issues going on in the construction industry itself, where we have serious imbalances of power in contractual relationships. Market power is concentrated at the top of the contracting chain, and we are seeing a shift in how that plays out. We are seeing a shift in where risk lies. The shift is from the large principal contracting companies to
those who are least able to bear it—that is, to the subcontractors, the small suppliers and the employees. This is what I mean when I say that these are the issues that need to be addressed if you are serious about really getting the construction industry onto a firm footing so that it actually meets the needs of our economy and abides by the law.

A large number of smaller-scale subcontractors that carry the burden of risk, and a concentration of market power in the hands of a few major corporate head contractors, means that those head contractors often have little regard for the competitive pressures placed on subcontractors. The situation for subcontractors is appalling in this country. As a result, the industry is burdened every year by nearly $3 billion in unpaid debts, including subcontractor payments, employee entitlements and tax debts averaging around $630 million a year—and that is just over the past three years.

Those who lose out here are the workers and subcontractors. And why? Because the government is not taking action. The government are sitting on their hands. They are happy for this shift in contractual arrangements because it gives more power to the big company owners, and the subbies, the employees, the workers and the labourers, are at their mercy.

The economic cost of insolvencies in the construction industry is staggering, and that is because of the state the industry is in. This is what should be addressed. The construction industry consistently rates as either the highest or the second-highest, against all other industries, when it comes to unpaid employee entitlements. Who picks up the bill? The public. The construction industry is sitting back. They are so happy. They have their servants in here—the likes of Liberal and National Party senators and MPs—running around and trying to set up an ABCC, and meanwhile their profits roll in. Even when they go belly up—and I will talk about phoenix companies—who picks up the cost of employee entitlements? The public purse. Taxpayers paid over $226 million from 2009-10 to September last year to employees of insolvent companies in the construction industry alone. Where does it come from? That money is through the Fair Entitlements Guarantee scheme. That has to be done. We have seen what happens in the past—remember the famous case when Mr Howard was the Prime Minister and what happened to the Manildra workers—but top industries and top company directors are getting away with it because they know they can.

The whole situation with phoenixing is absolutely huge in the construction industry and that should be addressed. Phoenixing is the fraudulent act of shifting assets to a new company to avoid paying tax, entitlement benefits et cetera. Again, it is huge in this sector. The Senate report into insolvency found that compliance with corporations law is optional for many company directors. How does that come about? It is because of the culture that has been allowed to develop. In a single year, over 3,000 possible cases of civil misconduct and nearly 250 possible criminal offences under the Corporations Act were reported in the construction industry alone. This suggests an industry in which company directors' contempt for the rule of law is becoming all too common. That is why I said it is becoming the culture. They get away with it. Why aren't those issues being addressed? Why don't we hear Minister Michaela Cash give one of her impassioned speeches about the outrages in the industry? These are the issues that are being ignored. The ABCC, I repeat, is being used for cover to allow the backers of the Liberal and National Parties to get away with some of the ugliest issues that you could see play out. I remind senators: this is a dangerous industry and people die because of the corners
that are being cut when companies do not follow the law on building sites and allow safety checks to be carried out that ensure that the law is enforced.

This is how businesses are operating. There is an environment in which non-payment for work carried out is commonplace, cash flows are uncertain and businesses lower down in the subcontracting chain have little power relative to those at the top of the chain. Who is at the top of the chain? I will come to that shortly: their political donations and where they are flowing. The Liberal Party are picking up big cash because of the way they are handling this construction industry. That is something that we need to give considerable attention to. The figures are easy to find. They can be found at the Australian Electoral Commission. I have said it many times: it is wrong that the data comes out long after the election and that the public will not know who the big developers are that fund the Liberal and National Parties in this election, but we know what has happened previously and it has been happening for well over 10 years.

Croissy, which is Westfield's Frank Lowy's family company, in the financial years of 2001-02 and 2003-04 gave $300,000 to the Labor Party, and in 2001-02 gave $250,000 to the federal Liberal Party. These donations amount to hundreds of thousands of dollars rolling in from the Kingold Group of Companies, Hong Kong Kingston Investments and Furama. These are all companies that come up in the property sector when you look at the donations in detail. Big money comes in and it is having a corrupting influence on our democratic process.

We are coming up to an election and people are holding fundraisers. There was a very interesting one where Assistant Treasurer, Kelly O'Dwyer, was outed about her fundraiser being sponsored by the NAB. Firstly, it is extraordinary and it should be sung from the treetops. It is quite audacious at a time when the banking industry was further exposed in how damaging it is to our economy and how it rips off ordinary people. We have the Assistant Treasurer, Kelly O'Dwyer, holding what has been called a 'glitzy pre-election political fundraiser' with the Treasurer, Scott Morrison, to be held 10 days after the budget so that they can spruik the budget there. Firstly, that in itself is quite questionable because the budget has often been developed with great public sector input, and the Treasurer and the Assistant Treasurer are out there using it as a fundraiser. A table at this breakfast will cost between $100,000 and $150,000. These are the corrupting aspects of our political process. This is what should be investigated. I do not know which developers will go to this breakfast, but you can be sure that there will be some. I notice that the donations list I just read out includes Brunswick Property Victoria Pty Ltd. They gave $300,000 to the Liberals at a federal level in 2014-15 on a couple of occasions. They could well be there and there could be other big donors. We should be having a proper investigation into issues in the construction industry with regard to insolvency and the whole chain of command, from the big players, the big developers, down to the very exploited subcontractors. That is what we need to investigate, and we need a thorough investigation into political donations. They are the issues that should be thoroughly investigated.

I will just go back to the situation with Ms O'Dwyer. She was an NAB executive; now she is a politician—and here she is with this very cosy deal continuing with her former employer, one of the big banks. We are told that they are too big to fail. The government is refusing to have a royal commission into them. Why won't they have an investigation into those issues? It is also worth noting that at the time Ms O'Dwyer took up her job at the National Australia
Bank her responsibility was to look after the extremely rich families worth more than $30 million. Now you could say that maybe her job description has not changed that much. That was her job description when she worked at the NAB, and I would say that this is the job of the government these days: it is to look after the extremely rich in this society. That is another way you can describe the ABCC.

Senator Williams interjecting—

Senator RHIANNON: I am happy to acknowledge the interjections from our senator from the National Party—

Senator Williams: Wacka!

Senator RHIANNON: I will let you say that. I would not use that one. It was good that you came in at that time, Senator, because the Nationals are out there on the hustings saying how they are the friend of the farmer and that they are in here conducting the good fight against the Liberals. I have heard them say that they are in here conducting the good fight against the Liberals and Labor. But the Nationals are in lockstep with the Liberals on political donations. They are just taking the money in and refusing to have the all-important inquiry that we need into political donations to sort this out.

Let’s come back to the issue at hand about the construction industry and the ABCC. Why is it being set up? In the first instance, it is to weaken the unions and, in time, to destroy the union movement.

Senator Williams interjecting—

Senator RHIANNON: The Productivity Commission did not think that the ABCC was needed, Senator. The ABCC is a very dangerous body—my colleagues have set that out very clearly.

I congratulate the CFMEU for the work that they do on the job protecting workers’ rights and promoting safety. The CFMEU have a dinner coming up in May. It is their annual dinner. I suggest that Minister Cash could learn a great deal by coming along to it. By coming to it she would see the union working with industry in a very positive way on safety. The money raised is for the Workplace Tragedy Family Support Group. It is one of the most moving nights I go to. You hear speeches from the children of people who have lost their lives and from the widows who are doing it really tough. This is money raised for them. This is why we need to get rid of the ABCC, to not allow these bills to pass and to ensure our construction industry is safe and that unions can continue to do their work.

Senator MADIGAN (Victoria) (13:55): I rise today to speak on the ABCC bills. I strongly oppose this legislation and will be voting against it. I admire my crossbench colleagues for attempting to negotiate with the government. Of course we should be tackling corruption and misconduct. We should be doing everything we can to clean up all facets of our society, including our legal system, our commercial sector and the political sphere. Corruption is not unique to the building industry. If the government was fair dinkum, it would be looking to tackle corruption across the board.

The ABCC’s unique focus on the building sector and the draconian nature of its coercive powers render it inconsistent with fundamental democratic principles, including equality before the law, the presumption of innocence and the right to silence. The parliament should be reluctant to pass legislation that offends these principles. The ABCC legislation provides
inspectors with powers that are arguably greater than those possessed by ASIO and other intelligence organisations. These powers allow the ABCC to force anyone to provide information, produce documents or answer questions. If you do not comply, you face criminal prosecution and six months in prison.

Say I was a young apprentice who witnessed a fatal workplace incident due to faulty machinery. I contact representatives from my union to voice my concerns and a meeting is scheduled to discuss those concerns. The ABCC hear about the meeting and decide to investigate what occurred at that meeting. Under the proposed laws the ABCC can come to my home at 9 pm without a warrant, bring whoever they like with them, enter my home where my young children might be sleeping, search whatever they like, interview whoever they like and take whatever they want. If I do not oblige, I face six months in the slammer, or they can find me up to $36,000 if they deem my meeting illegal.

I have done nothing wrong. I wanted to raise concerns about that fatal accident with the intention of preventing it from occurring again. That does not matter to the ABCC. I do not have a right to silence. I do not have a right to privacy in my own home. I am not afforded the right against self-incrimination. My basic human rights are taken from me just for voicing my concerns over a life-threatening issue. I have fewer rights than an alleged murderer. Not even the police hold these powers. If coercive powers of the type proposed are genuinely needed, which I seriously question, they should apply to all people in all industries.

On 24 February the Senate passed a motion moved by Senator Wang and myself resolving to hold an inquiry into the establishment of a federal corruption body to be known as the National Integrity Commission. The inquiry will consider the adequacy of Australia's existing legislative, institutional and policy frameworks in addressing corruption and misconduct wherever it is occurring. It will also consider the nature and extent of coercive powers possessed by various statutory agencies, whether these are consistent with democratic principles and, if not, whether they are strictly necessary to each agency's ability to carry out its work.

The Prime Minister has repeatedly rejected the idea of establishing a national corruption body. Attorney-General Senator Brandis, when rejecting the need for such a body, went so far as to suggest that Australian federal politics is remarkably free of corruption. Yet this is a government whose Cabinet Secretary, Arthur Sinodinos, remains under investigation—

Debate interrupted.

QUESTIONS WITHOUT NOTICE

Financial Services

Senator DASTYARI (New South Wales) (14:00): My question is to the Minister representing the Prime Minister, Senator Brandis. I refer to the Prime Minister's recent statement on the banking industry that 'there have been too many troubling incidents over recent times for them simply to be dismissed'. Will the Turnbull government now join with Labor and support a royal commission into our banking and financial services industry?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:00): No, we will not; and I will explain to you why we will not. Either Mr Shorten does not understand the purpose of a royal commission or, if he does, he is irresponsibly and recklessly calling for a royal commission
well knowing that it is not the appropriate way to deal with identified problems. Last week, Mr Turnbull gave a speech at the Westpac 199th anniversary luncheon and, during the course of that speech, he did make a number of chastising remarks about the banking industry. So the suggestion that the government is somehow being indifferent to a problem, or averting its eyes from a problem, is entirely wrong.

Unlike the Heydon royal commission into the trade union movement—where there was widespread systemic and documented illegality, criminality and corruption—no-one, not even someone as reckless as Mr Shorten, has gone so far as to suggest that there is widespread illegality, criminality and corruption in the Australian banking sector. The Australian banking sector is one of the strongest financial industries in the world—and, Senator Dastyari, that is the achievement of your side of politics as well as my side of politics—because the institutional structure that undergirds and polices and regulates the Australian financial system is a very strong set of safeguards.

Senator DASTYARI (New South Wales) (14:02): Mr President, I ask a supplementary question. How can Australians trust the Abbott-Turnbull government to regulate the banks and the financial services industry when this government has cut $120 million from ASIC, the bank regulator, since coming to office?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:03): As I was saying, we have one of the best regulated, best governed financial systems in the world. And you do not have to take that from me, Senator Dastyari. As recently as 2012, this is what Bill Shorten said: ‘Australia has some of the best banks in the world. It is partly because of our excellent regulatory system and prudential management.’ Mr Shorten also said, ‘Australia’s strong performance through the GFC was in large part due to the strength of its regulatory framework.’ Senator Dastyari, it passes strange that you, of all people in the Senate, should be asking this question—because, as you will remember, when, in the middle of last year, the Greens proposed a motion to establish a royal commission into the banking industry, it was you who memorably interjected, ‘This is a stunt.’ Well, the stunt lies with you now, Senator Dastyari. (Time expired)

Senator DASTYARI (New South Wales) (14:04): Mr President, I ask a further supplementary question. Can the minister confirm that eight coalition senators and MPs are prepared to support a royal commission into the banking and financial services industry, including my dear friend Senator Williams, who has welcomed Labor’s proposal? Minister, why is the government ignoring its own backbench and the interests of Australian consumers by continuing to reject a royal commission?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:05): It just goes to show how desperate and reckless you have become that what you, 10 months ago, condemned as a stunt is now the centrepiece of your policy. What you condemned as a stunt, you have now embraced as the centrepiece of your policy. We are a responsible government. We know that there is no system so good that it cannot be improved. But the way in which to do it, Senator Dastyari, is to take the institutions that we have—-institutions which you and your leader and your shadow Treasurer have acknowledged are among the best regulators in the world—and make sure they can be as good as they possibly can be.
The PRESIDENT: Pause the clock. Senator Dastyari, you have a point of order?

Senator Dastyari: Mr President, it goes to relevance. I clearly asked whether the minister can confirm that eight coalition senators and MPs are prepared to support a royal commission into the banking and financial services industry. The minister has made no attempt to answer that part of the question.

The PRESIDENT: I would remind the Attorney-General of the question.

Senator BRANDIS: That is why, Senator Dastyari, at the very time you were condemning the idea of a royal commission into the banking industry as a stunt, the Treasurer, Mr Morrison, was establishing a capability review to examine whether ASIC was as well set up as it could be—and the findings of that capability review will be announced shortly. (Time expired)

Transport Industry

Senator WILLIAMS (New South Wales) (14:06): My question is to the Minister for Employment, Senator Cash. Can the minister advise the Senate on the importance of supporting small business operators in the heavy vehicle industry?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:06): I thank Senator Williams for his question, and for everything he has done to support owner-drivers in Australia—something that those on the other side refuse to do. Owner-drivers—small business people—are the backbone of Australia's economy. They are vital to Australia's supply chain and they offer critical support for local communities. Anyone from rural and regional Australia—as Senator Williams knows—knows what these owner-drivers do for their small communities. But, because of a dirty deal that was done between the former Labor government—former Prime Minister Gillard and Mr Shorten as the industrial relations minister—and the TWU, owner-drivers are today literally being decimated across Australia—absolutely decimated. These are people who mortgage their homes to buy a truck. That truck is their small business. That truck is their life. For Mr Shorten and for Tony Sheldon to say that these owner-drivers are anything other than safe on our roads and highly responsible for the safety of their vehicles is nothing short of an insult to them, particularly when they are mums and dads—mums and dads who have kids at home; who go out on long-haul drives and who want to get home and see their kids at night. It is an insult to them that you would say that they are anything other than safe.

What we know is this: why was this dirty little deal done? Well, when the former Labor government—despite saying, 'there will be no carbon tax policy under our government'—brought in the carbon tax, Tony Sheldon went straight to them and said: 'The carbon tax is a death tax.' So what did they do? They promised Tony Sheldon the RSRT and, miraculously, the campaign went away—nothing more and nothing less.

Senator WILLIAMS (New South Wales) (14:08): Mr President, I ask a supplementary question. Is the minister aware of any claims made about the link between remuneration and safety?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:09): Yes; I am, and unfortunately it was a false premise upon which this tribunal was set up. Again, it was done...
on the premise that if you pay drivers more, they will suddenly behave in a safer manner. If that was the premise, why is only part of the industry being targeted with this payment order—and the part of the industry that under any analysis is the safest part of the industry? Owner-drivers, because—

Opposition senators interjecting—

The PRESIDENT: On my left.

Senator CASH: Those on the other side want to put owner-drivers—small business people—out of business. They want to funnel them in so they become employee drivers and have to join the TWU. It is a fact that in 84 per cent of collisions involving a heavy vehicle the heavy vehicle driver is not at fault. And yet those on the other side would condemn owner-drivers as being unsafe. (Time expired)

Senator WILLIAMS (New South Wales) (14:10): I ask a further supplementary question. What action will the government take to deliver concrete, positive results for the heavy vehicle industry?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:10): The government has announced that, if we are successful in our abolition of the Road Safety Remuneration Tribunal, the funds will be redirected to the National Heavy Vehicle Regulator. This is the appropriate body that can deliver real and tangible road safety outcomes in the trucking industry. And all of the truckies that I have been speaking to support that outcome. The heavy vehicle regulator administers the Heavy Vehicle National Law. It is responsible for regulating a range of safety-related measures including driver fatigue, speeding and loading requirements, and for ensuring that supply chains share equal responsibility for safety standards. What we on this side will not do is cripple owner-drivers within Australia, many of whose trucks at the moment are still. They are going nowhere because there is no more work for them. We will stand up for them and get them back on the road. (Time expired)

Australian Securities and Investments Commission

Senator KETTER (Queensland) (14:11): My question is to the minister representing the Treasurer, Senator Cormann. I refer to Mr Medcraft, chair of ASIC, who warned in 2014 that the Abbott-Turnbull government's $120 million cuts meant ASIC's 'proactive surveillance will substantially reduce across the sectors we regulate, and in some cases stop'. Minister, why did the Treasurer ignore this warning?

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (14:11): The Treasurer has not ignored any relevant warnings in relation to the resourcing of ASIC. As the senator well knows, there has been a Senate inquiry into the performance of ASIC, which was also followed by a capability review initiated by this government in July last year. As you would expect any responsible government to do, we review the resourcing arrangements for all agencies of government on a regular basis. As the senator would be aware, there is going to be a budget on 3 May, and I would expect that there will be relevant announcements in the context of the budget.

Senator KETTER (Queensland) (14:12): Mr President, I ask a supplementary question. I refer again to Mr Medcraft, who said in 2015: 'It's frankly quite clear that we're very thinly
resourced across the board'. Does the minister agree that ASIC is thinly resourced as a result of this government's cuts?

**Senator CORMANN** (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (14:13): I do not accept the premise that Senator Ketter has added to the final part of his question. This government and indeed previous governments—and, indeed, the previous Labor government—from time to time have applied efficiency dividends, which were applied not just to ASIC but across the board. As I have indicated in the lead-up to this budget—as we have done in the lead-up to previous budgets and budget updates—we are and have been reviewing the resourcing of all agencies of government to make sure it is appropriate and adequate for the functions that we want them to fulfil in the public interest, and that is what the government intends to do on this occasion.

**Senator KETTER** (Queensland) (14:13): Mr President, I ask a further supplementary question. Why did the Abbott-Turnbull government cut $120 million from ASIC, and why has it ignored repeated warnings about the consequences of its actions?

**Senator CORMANN** (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (14:14): We inherited from the previous Labor government a budget position that was rapidly deteriorating on the back of unsustainable, unfunded and unaffordable spending promises made in the dying days of the previous Labor government. We did as the previous Labor government did, incidentally: in their dying days they increased the efficiency dividend that applied across government agencies. Obviously, the resourcing of government agencies is always under review, and relevant announcements will be made in the context of the budget.

Workplace Relations

**Senator LINDGREN** (Queensland) (14:15): My question is to the Minister for Employment, Senator Cash. Will the minister tell the Senate why it is important that workplaces be free from bullying and intimidation?

The PRESIDENT: Order! In calling the minister I would advise the minister that because this matter is before the Senate you cannot anticipate debate on this matter.

**Senator CASH** (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:15): Thank you, Mr President. As is the long-held position of the coalition government, we believe that everybody in Australia has the right to go to work, every single day, in a workplace that is free from harassment, bullying and intimidation and, in particular, inappropriate behaviour.

A recent example of inappropriate behaviour is, unfortunately, within the construction sector. This is evidenced by the actions of CFMEU official Scott Vink, recently fined $9,000—yet another CFMEU official who has been fined by the courts. This was a fine by the Federal Circuit Court, recently, for unlawful workplace breaches and it was described by the court as 'sheer thuggery'.

The court heard Mr Vink entered the Pacific Fair shopping centre redevelopment site in Queensland, in March 2014, and went to a shed set aside for workers' smoko breaks. What did he do, then? He began removing belongings of non-union members, including lunches from the refrigerator, and just chucking them outside because, apparently, that is what you do when you go onto a work site—he was approached by a site manager and was found by the court to
have used 'foul and aggressive language towards employees' and acted in an 'angry and abusive manner' towards those employees—and what he, then, did was place a padlock on the shed, preventing access to non-members.

One of the critical facts that Mr Vink overlooked during this exchange was that the shed on the site had been provided for the use of all the site workers. It was not the property of the CFMEU. The court, basically, said that his behaviour was designed 'to intimidate the employees and to reinforce to others at the building site the notion that non-union membership is not going to be tolerated'.

Senator LINDGREN (Queensland) (14:17): Mr President, I ask a supplementary question. Is the minister aware of any other findings of the courts against officials of the CFMEU's Queensland and Northern Territory branch?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:17): Unfortunately, yes, I am. The litany of judgements against CFMEU officials continues. Last year the Federal Court found that CFMEU official Kane Pearson took action against a Northern Territory construction company, Reday, with the intent 'to coerce them to pay a fee to the union on behalf of the Reday employees'. The court found that Mr Pearson and other CFMEU officials of the union entered Reday's central apartment project site, in Mitchell Street, Darwin, 'not for the legitimate purpose or the legitimate exercise of their right of entry but to indicate the extent to which the union could disrupt the efficient progress of a building site'.

To pick up on one of the interjections of Senator Cameron, this is about the economy, Senator Cameron, because when you do not have a functioning building and construction sector in Australia all Australians pay more for the buildings that are being constructed.

Senator LINDGREN (Queensland) (14:18): Mr President, I ask a further supplementary question. Can the minister advise the Senate why it is important that there be appropriate penalties for breaching industrial law?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:18): One of the issues we have seen, ever since Labor slashed the penalties applicable to breaches of industrial law, is that you break the law—a little bit like a speeding fine—you speed, you get the fine and you pay it. And you just go into a circle: you speed, you get the fine and you pay it. That is what we now see on building sites within Australia.

The CFMEU are fully aware that the penalties no longer fit the crime and they have, quite literally, factored into their business model the penalties for breaching workplace laws. It is a fact that since 2003 the courts have imposed fines of almost $7 million on the CFMEU for proven breaches of workplace laws. Again, this does not seem to deter them. There are 109 officials currently fronting the courts in excess of 1,000 charges. The penalties are, clearly, not strong enough.

Multinational Tax Avoidance

Senator WHISH-WILSON (Tasmania) (14:19): My question is to the minister representing the Prime Minister, Senator Brandis. Australians are getting sick of hearing about tax dodgers setting up elaborate schemes to avoid paying their fair share of tax in
Australia and elsewhere. British Prime Minister David Cameron is hosting a first-of-its-kind anticorruption summit in London on 12 May. This is a first opportunity for world leaders to meet to discuss the scams exposed in the Panama papers and to discuss the scourge of multinational tax evasion in general. Will Prime Minister Turnbull be attending this summit and will he ‘shirt front’ David Cameron over failing to crack down on some of the worst tax havens on the planet—the UK overseas territories of the Cayman Islands, Bermuda and the British Virgin Islands—and, if not, why not?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:21): Senator Whish-Wilson, it is a very important issue you have raised. It is a very important issue that is not underestimated, I dare say, by anyone in this chamber. The government expects all taxpayers to pay their fair share of tax, and that applies to multinational companies as well as it applies to domestic companies as well as it applies to any taxpayers. The Prime Minister, in fact, addressed the LNG18 conference in Western Australia last week and he told them that we have to ensure that our taxation system encourages investment, entrepreneurship and job creation but, at the same time, continues to ensure that every business, large or small, pays their fair share of tax in accordance with the law.

Senator Whish-Wilson, you should be aware that Australia has some of the strongest tax integrity rules in the world and we are committed to addressing multinational tax avoidance. We have made progress on many of the recommendations of the OECD G20's final report on the base erosion and profit shifting action plan.

Senator Whish-Wilson: Mr President, I rise on a point of order. I thought I would raise this halfway through the question. Specifically, will the Prime Minister be going to the UK to Prime Minister Cameron’s summit, and will he raise the issue of their poor performance around tax havens?

The PRESIDENT: Senator Brandis has been answering the question. I think the preamble to his answer has married in with the preamble to your question. He has just under a minute to go.

Senator BRANDIS: Senator Whish-Wilson, I did think your question went to broader issues than merely whether the Prime Minister would be attending a particular international meeting. As I was saying, Australia has made progress on many of the recommendations of the OECD G20's final report on the base erosion and profit shifting action plan. We have passed legislation which, I am pleased to say, you and your colleagues from the Greens party supported, but which, to their undying shame, the Labor Party opposed, to crack down on multinationals artificially avoiding a tax liability in Australia. We have doubled penalties for multinationals avoiding tax—

The PRESIDENT: Pause the clock. Senator Whish-Wilson, on a point of order?

Senator Whish-Wilson: Mr President, with 10 seconds to go I raise a point of order on relevance. It is a yes or no question. Will the Prime Minister be going to the UK to attend this first-of-its-kind summit on tax evasion?

The PRESIDENT: I remind the Attorney-General of the element of that part of the question.
Senator BRANDIS: I was going to finish on that, Senator Whish-Wilson. I am not aware of the Prime Minister's future travel plans. They are usually not announced that far in advance. But I will take that matter on notice.

Senator WHISH-WILSON (Tasmania) (14:24): Mr President, I ask a supplementary question. In the wake of the Panama papers, when will Australia include designated non-financial businesses and professionals, such as lawyers, accountants and corporate services, in our anti-money-laundering and counter-terrorism laws, as recommended by the Financial Action Task Force in April 2015, or does the government want to go against international pressure and make it easy for businesses to establish and hide their shady shell companies?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:24): In the first place, anti-money-laundering laws and counter-terrorism financing laws apply to individuals as well as to corporations. An individual who engages in terrorism financing and defined money-laundering activities is already subject to various criminal sanctions under the existing Australian law.

Senator Whish-Wilson: What about lawyers and accountants?

Senator BRANDIS: You are a banker, Senator Whish-Wilson, so I will share this with you: lawyers and accountants are people, too, just as bankers are people, too. They are all subject to the same laws, including criminal laws dealing with counter-terrorism financing and money laundering.

Senator WHISH-WILSON (Tasmania) (14:25): Mr President, I ask a further supplementary question. The Four Corners episode on the Panama papers exposed that Wilson Security has a holding company located in the British Virgin Islands in the same building as the shady lawyers Mossack Fonseca. Four Corners also exposed that the director of this shell company was Thomas Kwok, who was recently jailed for bribery for five years. How can the government justify issuing contracts worth hundreds of millions of dollars to a company so dodgy that they go to such lengths to avoid paying their fair share of tax? Shouldn't it be a government policy that there are no government contracts for tax dodgers?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:26): As I said in answer to your primary question, neither the government nor, I daresay, any political party or shade of opinion represented in this chamber, condones international tax avoidance or tax avoidance of any form. The sincerity and the commitment of the government to deal with the problem is to be measured by the steps that we have already taken. I mentioned to you before the final report of the OECD on the base erosion and profit shifting action plan. The government, on the basis of that report and other considerations, has taken strong action against multinational profit shifting by passing laws that introduce a multinational anti-avoidance law, which delivered on a 2015 budget commitment, to ensure that where companies make sales in Australia but book the revenue offshore they will be subject to Australian tax—

The PRESIDENT: Pause the clock. A point of order, Senator Whish-Wilson?

Senator Whish-Wilson: Mr President, I rise on a point of order. I asked the Attorney-General whether he felt that Australian governments should be giving significant multimillion dollar contracts to companies that have been shown to be avoiding tax
The PRESIDENT: I remind the Attorney-General of the question.

Senator BRANDIS: My answer to you, Senator Whish-Wilson, is that no Australian government, and neither you nor I nor anyone here, condones the avoidance of tax by multinational corporations or anyone else—(Time expired)

Defence Procurement

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (14:27): My question is to the Minister for Defence, Senator Payne. Will the minister update the Senate on the Turnbull government’s plans to secure a long-term and sustainable naval shipbuilding industry and workforce in Australia? How will this benefit the broader Australian economy?

Senator PAYNE (New South Wales—Minister for Defence) (14:27): I thank Senator Fawcett very much for his question and his long-term interest in the question of naval shipbuilding in Australia and defence issues more generally. Today the Prime Minister and I have announced a number of very significant decisions that will secure a sustainable long-term Australian naval shipbuilding industry. The decisions announced today will provide for two shipyards to implement the government’s commitment to a continuous build of naval surface ships in Australia. We have announced that the construction of the offshore patrol vessels will begin in Adelaide and Henderson in 2018 to bridge the gap between the end of the Air Warfare Destroyer Program and the start of the future frigates, which the government has indicated will commence in 2020. Austal has been selected as the preferred tenderer to construct up to 21 Pacific patrol boats and, subject to negotiations, will begin construction in early 2017 in Henderson.

The government has also announced the downselect or short list for the designs of both the offshore patrol vessels and the future frigates. The government’s continuous naval shipbuilding strategy will ensure that Australia as a nation retains a sovereign capability to build and sustain its naval vessels, securing thousands of shipbuilding jobs for decades to come.

 Senator Cameron and Senator Edwards interjecting—

The PRESIDENT: Senator Cameron and Senator Edwards, it is very difficult for me to hear, let alone for the minister to speak, during these interjections across the chamber. Please desist. Senator Payne, you have the call.

Senator PAYNE: A strong and sustainable shipbuilding industry will also create thousands more jobs through the breadth of the supply chain and give the industry the certainty to invest and innovate to develop the capability the Navy needs. Unlike those opposite who did nothing to order or commission a ship from an Australian shipyard in the entire time in which they were in government, this government is getting on with the job and getting the job done.

Honourable senators interjecting—

The PRESIDENT: Order, on both sides.

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (14:30): Mr President, I ask a supplementary question. Could the minister develop that last part of her
answer to advise the Senate how this government's naval shipbuilding plans differ from previous approaches to this important industry and sovereign capability?

 Senator PAYNE (New South Wales—Minister for Defence) (14:30): That is a very important supplementary question because, for too long, our naval shipbuilding projects have been developed in isolation, which has led to a process of peaks and troughs in demand. Each time there is a trough, industry has gone through a very painful decline. Workers have been let go, resulting in a loss of valuable skills and experience. This means that each time we start a new naval build we start cold. It takes time and money to rebuild that lost skills base. What this government's continuing shipbuilding strategy is determined to do is eliminate that boom-bust cycle that has afflicted the industry for far too long. It will need to draw on Defence, it will need to draw on state and federal governments, it will need to draw on industry and workers at educational institutions to train and skill our workforce, it will need to draw on research organisations to ensure that we have a strong, viable and sustainable sovereign capability to build and sustain our naval vessels for decades to come. (Time expired)

 Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (14:31): Mr President, I ask a further supplementary question. Will the minister advise what the government's naval shipbuilding plans means for jobs and investment in my home state of South Australia.

 Senator Kim Carr: In Williamstown! Why don’t you tell us about jobs in Williamstown?

 The PRESIDENT: Order on my left! Senator Carr!

 Senator Edwards: Haven't you got any humility?

 The PRESIDENT: And Senator Edwards!

 Senator PAYNE (New South Wales—Minister for Defence) (14:31): The South Australian colleagues of mine on this side of the chamber are extremely strong and impressive advocates for the South Australian shipbuilding industry, and Senator Fawcett is no exception.

 Opposition senators interjecting—

 The PRESIDENT: On my left.

 Senator PAYNE: The Turnbull government's commitment to build at least two of the first Offshore—

 The PRESIDENT: Pause the clock. Order, Minister. Just pause a moment.

 Opposition senators interjecting—

 The PRESIDENT: On my left.

 Honourable senators interjecting—

 The PRESIDENT: On both sides. Order, Senator Cameron. Minister.

 Senator PAYNE: As I was saying, the Turnbull government's commitment to build at least two of the Offshore Patrol Vessels in Adelaide to help as far as possible, given the current circumstances in which we find ourselves, bridge that gap between the Air Warfare Destroyer program and the beginning of the Future Frigate program build is extremely important. It will support the jobs of those highly skilled shipbuilders in Adelaide and de-risk the Future Frigate program. It is billions of dollars in investment. It is thousands of jobs
across the supply chain. It is vital that the Centre for Defence Industry Capability, which is headquartered in Adelaide, will be able to assist small- to medium-sized industry to understand and respond to the opportunities available to it in the Future Frigate and OPV projects. *(Time expired)*

**Climate Change**

**Senator WATERS** (Queensland—Co-Deputy Leader of the Australian Greens) (14:33): My question is to the minister representing the Prime Minister, Senator Brandis. It has been five months since the Prime Minister promised the world at the Paris climate conference that Australia would do our fair share to tackle dangerous global warming. Since then we have seen the worst ever coral bleaching on the Great Barrier Reef. We have seen fires burning in parts of Tasmania's ancient forests that have not burned for centuries, and we have seen pollution continue to rise. When will you admit that Mr Tony Abbott's pollution targets are ridiculously weak?

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:34): This is not the first time that you have asked me about our emissions targets. You must not have been listening, Senator Waters, because, as I have pointed out to you many times, and as I will continue to point out to you, Australian has one of the most ambitious emissions reduction targets in the world. I understand, Senator Waters, that you and your colleagues from the Greens party would wish to have even more ambitious emissions reduction targets—unrealistically ambitious emissions reduction targets. But our emissions per capita will, under the targets that the Turnbull government has announced, fall by 50 to 52 per cent per capita by 2030, which is greater than the decrease in emissions by the United States, the European Union, Japan, Korea or Canada. We have announced that, through to 2030, we will have among the most ambitious emissions targets in the world.

Senator Waters, those are the facts. Those are the commitments that Australia made in Paris. I know that you think that we should be even more heroic in our targets than we have been. But, if we are leading the world, as we now are in our per capita emissions targets, I do not think, Senator Waters, that you can ask for more than that.

**Senator WATERS** (Queensland—Co-Deputy Leader of the Australian Greens) (14:35): We would still be the largest per capita polluter in the world after the implementation of those targets, if they can even be implemented. Mr President, I ask a supplementary question. The Paris agreement will be signed this week. Yet, instead of strong action, Minister, your government has approved the Adani coalmine. Your government has overseen 100 climate science jobs axed from CSIRO and has cut $1.3 billion from the Australian Renewable Energy Agency. Do you understand that it is your policies that are cooking the Great Barrier Reef?

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:36): What I know, Senator Waters—because, like you, not being a scientist—is that there is a debate in the scientific community about the cause of coral bleaching. Senator Waters, it is possible to do both. It is possible to cut emissions while, at the same time, developing our coal industry, and we are doing both. We are cutting emissions by 50 to 52 per cent per capita up to 2030. At the same time, we are very proud to be encouraging the development of our great mining industry,
including our coal industry. Senator Waters, you obviously do not spend any time in Central Queensland; I do, Senator Waters. If you spent any time in Central Queensland, you would know how offensive to those people your suggestion that their great economic prospect on the horizon should be closed down must sound. *(Time expired)*

**Senator Waters** (Queensland—Co-Deputy Leader of the Australian Greens) (14:37): Mr President, I ask a further supplementary question. Australians could be forgiven for thinking that the reason there has not been strong action to cut pollution and build clean energy is the $3.7 million in donations from fossil fuel companies made to the coalition and Labor since 2013. Will you support the Greens' legislation to ban fossil fuel donations, and will you rule out accepting money from big polluters this election?

**Senator Brandis** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:38): Senator Waters, people watching this broadcast and hearing you ask that question would be very surprised to learn that you represent the political party that accepted the largest single corporate donation in Australian political history—$1.6 million in one donation from the corporation Wotif. So please—

*The President*: Pause the clock.

**Senator Waters**: Mr President, I rise on a point of order. The senator is misleading the chamber. The donation was from an individual, not a corporation. Our party does not accept corporate donations.

*Honourable senators interjecting—*

*The President*: Order! Senator Waters, that was not a point of order; that was a debating point. I call the Attorney-General.

**Senator Brandis**: Senator Waters, when you are the recipient—when you are the beneficiary of the largest single corporate donation in Australian history, it lies ill with you to be—

*The President*: Pause the clock.

**Senator Waters**: Mr President, I rise on a point of order. I ask the minister to withdraw the misleading statement he has twice now put to the chamber. It was not a corporate donation.

*The President*: No, there is no point of order.

**Senator Waters**: It is a misleading statement; he should withdraw it.

*The President*: That is no point of order. There are ways to rectify that outside of question time.

**Senator Brandis**: Senator Waters, when you are the beneficiary and recipient of the largest single corporate donation in Australian political history, it lies ill for you to be criticising any other political party, quite frankly, for accepting donations from respectable Australian companies which provide jobs and prosperity to other Australians. *(Time expired)*

**Defence Procurement**

**Senator Reynolds** (Western Australia) (14:40): My question is to the Minister for Defence, Senator Payne. Will the minister advise how the Turnbull government's
announcement on naval shipbuilding will provide certainty and security for shipbuilding workers, particularly in my home state, the great state of Western Australia?

Senator Kim Carr interjecting—

Senator Back interjecting—

The PRESIDENT: Order! Senator Carr and Senator Back.

Senator PAYNE (New South Wales—Minister for Defence) (14:41): Isn't it fabulous that the government has people like Senator Reynolds and Senator Fawcett, with long-term expertise and interest in defence issues, to pursue these matters in the chamber. As I said a little earlier, the Turnbull government's continuous build strategy will secure a long-term naval shipbuilding industry in Australia in Adelaide and in Western Australia. The government has announced today that up to 10 of the 12 offshore patrol vessels which will replace the Armidale Class Patrol Boats will be constructed in Henderson in Western Australia, after a start-up, as I said, in South Australia, securing around 400 long-term jobs in Western Australia in the shipbuilding industry. Over the long term, that will support the commencement of a continuous build of these sorts of naval vessels at Henderson.

The government has also announced that Austal Ships in Henderson in Western Australia is the preferred tenderer to design and construct up to 21 steel-hulled Pacific Patrol Boats. Subject to those contract negotiations being finalised, this decision will secure over 100 naval shipbuilding jobs at Austal Ships, ensuring that those skills and experience are retained in Western Australia. Those decisions show that the government is actually getting on with the job of ensuring that the Australian naval shipbuilding industry is strong, is sustainable, and will be consistent, so that we avoid that boom-bust cycle that we have experienced in the past. Our approach, which is about securing jobs and investment while providing the navy with the capability it needs, is in stark contrast to those opposite, who sat on their hands for six years and did nothing to secure the jobs of shipbuilding workers in Western Australia—or anywhere else in our nation, for that matter. Nowhere in our nation did they place one single contract to build ships in Australia. Not one! Not once!

Senator REYNOLDS (Western Australia) (14:43): Mr President, I ask a supplementary question. Will the minister inform the Senate of further benefits of the Turnbull government's announcements today in helping to drive the transition of our economy?

Senator PAYNE (New South Wales—Minister for Defence) (14:43): This is a very important supplementary question in terms of transitioning the economy, and aspects of that transition that the Prime Minister and the Minister for Industry, Innovation and Science have spoken about for some time now. These announcements today secure a naval shipbuilding industry and jobs for skilled shipbuilding workers for years and years to come. This decision to commence the build of major naval warships in Adelaide and of these naval vessels in Henderson in Western Australia is a game changer for industry and workers. But it will require a truly national effort, a national enterprise, to deliver these ambitious programs. The key to that will be innovation, and cutting-edge technology and skills from the companies and the people that we need to deliver these ambitious plans. There are going to be jobs right across the nation through the supply chains and support industries. The potential for spillover into other industries is truly exciting and enormous. I cannot believe that those opposite cannot be positive about this for one moment. (Time expired)
Senator REYNOLDS (Western Australia) (14:44): Mr President, I ask a further supplementary question. Will the minister also advise the Senate how the Pacific Patrol Boat Program will secure shipbuilding jobs in Western Australia and promote Australia's broader regional security?

*Opposition senators interjecting—*

Senator Kim Carr interjecting—

The PRESIDENT: On my left, order!


Senator Kim Carr: Tell us about what happens on the eastern seaboard.

The PRESIDENT: Senator Carr.

Senator Back interjecting—

The PRESIDENT: And Senator Back.

Senator PAYNE (New South Wales—Minister for Defence) (14:44): This is the best question of the day. I can advise that, with the announcement that Austal ships is the preferred tenderer to design and build up to 21 replacement steel hulled Pacific patrol boats beginning in 2017, the current Pacific Patrol Boat Program—and its follow-on, the Pacific Maritime Security Program—is actually the centrepiece of Defence's engagement in the South Pacific. In fact, under the PPBP Australia had gifted 22 patrol boats to 12 Pacific Island countries between 1987 and 1997. That current fleet, which has worked hard in those specific nations, will begin to reach its end of service life from 2018, and so it will be replaced with the Austal built vessels under the Pacific Maritime Security Program. Australia continues to provide ongoing maintenance, logistical support and training for the Pacific patrol boat crews, and we provide ongoing in-country advisory support through a network of 24 RAN maritime surveillance advisers and technical advisers, and these decisions will make the major difference in Australia's naval shipbuilding industry. *(Time expired)*

Donations to Political Parties

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:46): My question is to the Cabinet Secretary, Senator Sinodinos. I refer to the New South Wales Electoral Commission statement on the New South Wales Liberal Party regarding the use of the Free Enterprise Foundation:

… to channel and disguise donations by major political donors some of whom were prohibited donors.

I further note the statement's reference to the involvement of senior party officials, including Mr Sinodinos, in arrangements relating to the foundation, and I also refer the Cabinet Secretary to his response on 26 March 2016 denying 'any wrongdoing or illegality'. Does the Cabinet Secretary stand by this statement?

Senator SINODINOS (New South Wales—Cabinet Secretary) (14:46): Yes, I do stand by that statement. The Electoral Commission in New South Wales has to deal with disclosures of donations and associated funding matters. I wrote to the commission after they put certain stuff out. That response is on the website. That response goes over my evidence before the Independent Commission Against Corruption in New South Wales. I stand by that evidence. I am not going to rehearse all of that evidence here. There is not enough time. The evidence is there. I stand by that evidence. I stand by that letter, which has been published on their
website, and I thank them for the fact that they gave me the courtesy of publishing that response.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:47): Mr President, I ask a supplementary question. Did the Cabinet Secretary ever participate in or witness discussions about the use of the Free Enterprise Foundation to channel and disguise donations by prohibited donors?

Senator SINODINOS (New South Wales—Cabinet Secretary) (14:47): I have just answered the question. My evidence was that I was never involved in any such process of using some subterfuge to channel donations for a state election in New South Wales.

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

Senator Wong: My point of order is relevance. I did not ask about any such process. I asked a very specific question: did the Cabinet Secretary ever participate in or witness discussions about the use of the FEF to channel and disguise donations by prohibited donors?

The PRESIDENT: Senator Brandis, on the point of order?

Senator Brandis: On the point of order, the minister has referred to evidence he provided during the course of those hearings, and he has said that he stands by that evidence. It is perfectly appropriate for a person responding to a question of this kind, which has been the subject of an inquiry by a body like ICAC, to refer to evidence and to affirm it.

The PRESIDENT: I do not believe there is a point of order, Senator Wong, as the Cabinet Secretary has, in my understanding, denied the allegation you have put to him. Senator Sinodinos, did you wish to add anything further to your answer?

Senator SINODINOS: No.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:48): Mr President, I ask a further supplementary question. Has the Cabinet Secretary taken any action to support or encourage the full disclosure of donors who made donations to the New South Wales Liberal Party through the Free Enterprise Foundation?

Senator SINODINOS (New South Wales—Cabinet Secretary) (14:49): That is a matter for the New South Wales division of the party, which, I understand, is cooperating with the Electoral Commission.

An opposition senator: You were their official at the time.

Senator SINODINOS: We are talking about now.

Senator Wong: Yes.

Senator SINODINOS: And that is my answer.

Building and Construction Industry

Senator JOHNSTON (Western Australia) (14:49): My question is to the Minister for Employment, Senator Cash. It is the minister aware of any dishonest claims currently circulating about reforms in the building and construction sector?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:49): Yes, I am. Many people may be aware that the CFMEU is currently running a series of completely dishonest television commercials that are, quite frankly, based around a work of fiction. Perhaps you

CHAMBER
would have seen it, Mr President. It makes a number of false claims about those people who may be questioned by the ABCC and their rights. Can I be very clear in relation to the television ads being run by the CFMEU? The powers that the CFMEU are now publicly complaining about in a series of television ads are the same powers that those on the other side—Labor, the people who do their bidding in the parliament—gave the Fair Work Building and Construction inspectorate. They are the same powers. Did the CFMEU run a series of television ads when those on the other side gave the Fair Work Building and Construction inspectorate these powers?

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

Senator Moore: Mr President, I am just seeking to clarify: does this question come under the area of something that is already being discussed before the parliament? Is it anticipating the debate that we will be having in the parliament?

Government senators interjecting—

The PRESIDENT: Order! On my right. Senator Moore, I have been listening very carefully, and you may recall that regarding an earlier question I did remind the minister that she had to be careful in relation to this territory. Whilst I am not completely familiar with every detail of the bill, I do believe the minister has not gone to the pertinent detail of the bill. But I am listening carefully and I think the minister has taken heed of the earlier advice.

Senator CASH: Again, it is a little ironic that in an election year the CFMEU are currently running a series of ads that are based on a false premise. But, worse than that, they did not run that series of ads when the former government gave the same powers to the Fair Work Building and Construction inspectorate. If that does not speak of a political stunt then I do not know what does. The CFMEU also forget that these powers that existed for years in other industries and with other regulators are the same types of powers that ASIC, APRA and the ACCC had. So, again, they never complained about those agencies having those powers and they never complained when former Prime Minister Gillard gave her regulator those powers. (Time expired)

Senator JOHNSTON (Western Australia) (14:52): Mr President, I ask a supplementary question. Is the minister aware of any commentary on the need for compulsory powers in this industry?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:52): As I said, even former Prime Minister Gillard and those on the other side recognised the need for compulsory powers within the building and construction industry, because they gave those same compulsory powers to the current inspectorate—the Fair Work Building Industry Inspectorate. As we have heard so often, and in particular during estimates hearings, the reason these powers are so necessary within the building and construction industry is that there is a culture of silence. And why is there a culture of silence? Because in this particular industry—

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

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

Senator Cameron: This is a matter currently before the Senate. It relates to a bill that is before us right now and I think you should take some advice as to whether it is appropriate to
continue down this path when there is a bill before the Senate dealing with these exact matters.

The PRESIDENT: This was raised in an earlier point of order by Senator Moore—I will allow the minister to continue. The minister knows the parameters involved.

Senator CASH: Colleagues, did anybody see Senator Cameron stand up when they introduced the same powers for the Fair Work Building and Construction Inspectorate? Did the CFMEU not give you instructions, Senator Cameron, to come in here and a jump up and down and say, 'I don't like these powers—they are taking away people's rights'? You did not do that, and that is why we know that this is nothing more and nothing less than yet another political stunt.

Senator JOHNSTON (Western Australia) (14:54): Mr President, I ask a further supplementary question. Is the minister aware of any threats to restoring the rule of law to the building and construction sector?

The PRESIDENT: Minister, before you answer that question, the question directly relates to the re-establishment of the bill. I will allow the minister to answer the question, but with that note of caution.

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:54): Yes, I am aware of such threats. In the first instance, the CFMEU are very happy with the current state of play in the industry. Why do we know that? Because they have donated more than $7 million to the Australian Labor Party since 2007—$7 million. In fact, $7 million is also the sum of money that the CFMEU have been fined. When you have in excess of 100 of your senior officials facing court or the Fair Work Commission on in excess of 1,000 charges, it is little wonder that those opposite do not want anything done within the sector.

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

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

Senator Cameron: This is fundamentally the debate that relates to the bill before the Senate today.

The PRESIDENT: I have been listening intently and, as you would imagine, I am acutely aware of the parameters involved. The minister has not yet strayed over the line. I did warn her and she is complying with my request.

Senator CASH: As I was saying, $7 million to the Australian Labor Party since 2007—ironically, as Senator Payne has noted, $7 million in fines paid for breaching workplace laws—but, unlike those on the other side, the CFMEU are not our puppet masters and we will not do what they say. (Time expired)

Taxation

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (14:56): My question is to the Minister representing the Prime Minister, Senator Brandis. I refer to the Prime Minister's announcement at Penrith oval on 30 March that the federal government will reduce our income tax by an agreed percentage and allow state governments to levy an income tax'. Was this policy subject to full cabinet consideration before it was announced?
Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:57): Yes, Senator, it was.

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (14:57): Mr President, I ask a supplementary question. I again refer to the Prime Minister's concession that under his plan for state governments to levy income tax states should be free to 'raise it'. Can the minister explain to the Senate why the Prime Minister thinks that Australians should pay more income tax in some states than others?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:57): Senator Urquhart, that is not the Prime Minister's view and that was not the policy that he raised for discussion with first ministers at COAG. The proposal that he raised for discussion with first ministers at COAG was a policy which would have enabled the state governments to levy an income tax in circumstances in which the Commonwealth withdrew an equivalent amount of income tax so as not to result in any net increase in income tax for Australians. Senator Urquhart, as you know, that proposal was raised with first ministers and, with the exception of the Premier of Western Australia, Mr Barnett, that proposal did not find favour with first ministers and was not proceeded with.

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (14:58): Mr President, I ask a further supplementary question. I refer to the Prime Minister's plan for double taxation as well as his plan for GST, superannuation, negative gearing, capital gains and income tax and company tax changes. Is this what Mr Turnbull meant when he said he would provide the economic leadership that Mr Abbott failed to deliver?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:58): Senator Urquhart, as you know, we have had a very lively debate in this country in recent months about tax policy. We do not walk away from that. We believe that the Australian public are entitled to have a government that confronts issues honestly and with candour, raises issues for public discussion, looks and listens to arguments from all points of view and ultimately resolves, one way or the other, whether to pursue matters or not to pursue them. That is what having an open public discussion means. We are not afraid of that. That is the way good public policy is developed—in an open, transparent discussion with the Australian people.

Building and Construction Industry

Senator PATTERSON (Victoria) (14:59): My question is to the Minister for Employment, Senator Cash. Is the minister aware of any incidents from my home state of Victoria which highlight the necessity to restore law and order to the building and construction sector?

Opposition senators interjecting—

The PRESIDENT: Order on my left!

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (15:00): I thank Senator Paterson for the question. It is disappointing that those on the other side, whenever an issue is raised in relation to examples of bullying, intimidation and thuggery in the building and construction sector, do not want to hear about it.
The CFMEU recently paid in excess of $100,000 of their members' funds as a fine—because that is the contempt which they have for their members' funds—for organising a blockade at the $400 million Bald Hills wind farm project in Victoria. Why did they have the blockades? The blockades were in response to a subcontractor refusing to sign an enterprise agreement with the CFMEU. I thought it was a subcontractor's right to exercise that right to not sign an enterprise agreement with the CFMEU, but the subcontractor, unfortunately, found out it is a little bit different in the building and construction industry. When the subcontractor asked what the ramifications would be if they did not enter into the enterprise agreement with the CFMEU, Mr Edwards, the CFMEU's branch president, answered, 'The union would'—expletive—'you over'. Another senior CFMEU organiser said that he would give the subcontractor a few weeks to change its mind and, if that did not happen, then things were 'going to get ugly'.

This is what happens in the building and construction sector in Australia if you say no to the demands of the CFMEU. No matter whether or not those demands are lawful, if you refuse to comply with them—if you say, 'I am going to exercise my right to do something'—you pretty much soon find out it is not your right and the CFMEU, to quote this person, will 'do you over'. (Time expired)

Senator PATERSON (Victoria) (15:02): Mr President, I ask a supplementary question. Is the minister aware of any further examples of unlawful threats or coercion by union officials?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (15:02): Yes, I am, and again they are recent and, unfortunately, it was members' money that was used to pay the fine. In April of last year, the CFMEU, again, paid $43,000 of members' money after the Federal Court fined the union and its officials, assistant state secretary Shaun Reardon and former official Danny Berardi, for attempting to coerce a head contractor, again, into an agreement with the CFMEU. When the contractor told Mr Berardi they would not be signing an enterprise agreement with the CFMEU, Mr Berardi threatened, 'Well, you'll be'—expletive—'I'll blockade your sites.' In an attempt to avoid the grave financial damage that would flow if the CFMEU did impose a blockade on all of his sites, the contractor then called Mr Reardon, who said to him: 'Why would I help you and change his direction? You've shown the CFMEU no respect. I'm'—expletive—'sick of it. I've had enough and you'll sign the EBA.' (Time expired)

Senator PATERSON (Victoria) (15:03): Mr President, I ask a further supplementary question. Minister, were there any findings of the Federal Court in this case which suggest some officials have no respect for the law?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (15:03): Yes, there were. With regard to the CFMEU, the Federal Court finding found as follows:
The present conduct of one of its officials adds to this depressing litany of misbehaviour. It evidences an ongoing disregard for the rule of law … It is fair to describe the CFMEU record as dismal.
We know that, in Victoria, the CFMEU has fine form. In particular, who can forget what happened on the streets of Melbourne in 2012, the infamous Grocon dispute, when the CFMEU literally shut down parts of the Melbourne CBD? The behaviour of officials included death threats and violence towards the police. On top of that, the CFMEU, again, do not care
about the members' money because they were ultimately ordered to pay a record $1 million fine. That is the contempt in which the CFMEU hold their members' money.

Senator Brandis: Mr President, I ask that further questions be taken upon notice.

BUDGET
Consideration by Estimates Committees

Senator KIM CARR (Victoria) (15:04): Under standing order 74(5), I seek an explanation from the Minister representing the Minister for Industry, Innovation and Science, Senator Sinodinos, as to why the following 29 questions on notice to the CSIRO from the additional estimates remain unanswered: AI-7 to AI-11, AI-112, AI-123 and AI-144 to AI-165.

Senator SINODINOS (New South Wales—Cabinet Secretary) (15:05): I will seek advice from the minister and get back to you as soon as I can.

Senator KIM CARR (Victoria) (15:05): I move:
That the Senate take note of the minister's failure to provide an explanation.

My office did contact the minister's office before I rose to present this request under standing order 74(5), so I am surprised that the minister representing the minister is not able to give us an explanation here. This is a failure on the part of the government because there are some 29 questions to which the CSIRO should have provided answers to the Senate by 1 April. It is nearly three weeks after that date and no responses have been received.

I do not need to remind senators that Australia's largest publicly funded research agency is in the midst of a many-layered crisis. It is a crisis of purpose and direction; a crisis of staffing and resources; a crisis of morale and global reputation. The questions placed on notice sought clarification of decisions that had given rise to this crisis, yet the government has not seen fit to respond to those questions, despite having ample time to do so. Whether or not this reflects disdain on the part of the minister for science or simply a lack of interest in the issue, I cannot say. But there is, whatever you say here, a question about ministerial responsibility to ensure that questions are answered. I believe the minister has failed in his duty. I think it is his responsibility to ensure that the department provides answers on time. If it is somewhat extraordinary circumstances that have prevented the answer being supplied by the due date, then an explanation for what those circumstances might be is appropriate to be given in this chamber—particularly given that we did provide notice that this matter was being pursued today. There is no explanation. To date, we have not heard one. We have not heard anything from the minister's office or departmental officers. I think we are entitled to answers.

I am particularly concerned that CSIRO and other government agencies do not go into limbo because the government might contrive to seek a double dissolution election. We have seen, sometimes, bizarre behaviour by this government since the last sitting of the parliament concluded. The Prime Minister and some of his senior ministers, including the Treasurer, have not been able to stay on the same message about what the government actually intends to do. That alone makes it clear that the government itself remains dysfunctional. The dysfunctionality obviously goes much deeper if a minister cannot even ensure that his department or its agencies get their questions in on time.

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This is not just a matter, however, of process. When the crisis to which I refer occurred—when the chief executive officer of the CSIRO, Dr Larry Marshall, sent out an email to all staff on 4 February—it became quite clear that there had not been adequate discussion within the CSIRO, and that the board itself, and not just this parliament, has been treated with contempt in the manner in which the management of the CSIRO is proceeding on these matters. Therefore, it is appropriate that we do get clarifications.

There are unanswered questions. They do not all directly concern, in particular, this email, but they do go to the question of the strategic vision that is being pursued by Dr Marshall, which of course was set out in that email on 2 February. The strategic vision apparently also reflects, in my view, the government's priorities as to its approach to the questions of public benefit research and its approach to cutting the budget for the CSIRO.

The questions go to the specifics of staffing, they go to questions of funding and they go to organisational matters. These are questions on which I believe the Senate is entitled to answers, and the organisation should be made to answer and provide information to this chamber—particularly given that we have further hearings of another committee with the manager of the CSIRO next week.

If this goes on, I think we are entitled to ask: 'Why is it that the government has sought to hide this information from the chamber? Why is it that this government has not faced up to its responsibilities?' I am deeply concerned at the extent to which the minister is complicit in the direct strategy being pursued by the CSIRO's management. From the papers that I have seen, one can only draw the conclusion that he has been negligent in not holding the CSIRO to account, because the briefings that have been presented and now released publicly demonstrate just how misleading the CSIRO's management has been in terms of its claim. Dr Marshall's statements to the minister, if I had been the minister, would have been rejected. They would have been sent back because they were grossly inadequate. I think we need to understand precisely what is going on in the CSIRO, and that is why I think it is entirely appropriate that the government respond to these legitimate questions and make sure that answers are provided in a proper manner.

**Senator IAN MACDONALD** (Queensland) (15:11): I will not keep the Senate long, because we do have a program to get through, but it is important, as Senator Carr says, that answers be given. I remember in the previous Labor government I waited for about three years for an answer to a question on notice and never even got it before the Labor Party was so unceremoniously tossed out.

It is important, as Senator Carr says, that answers be given, and I am sure that they are coming. But I just cannot let Senator Carr's rantings go unchallenged. The CSIRO, which is a magnificent scientific organisation, is not sacking staff; it is reallocating staff from one area of its duties to another area. I am pleased to say that the CSIRO is doing a lot of work in northern Australia, and rightly so. It is very good work, and it does provide a scientific base for the work of governments and others.

But what Senator Carr complains about is that the CSIRO is now no longer concentrating a lot of scientific effort on the cause of climate change because, as Senator Carr and his mates in the Greens political party have said, the science of climate change is settled. If I have heard that once from Senator Carr, I have heard it a hundred times. Senator Carr keeps telling us: 'The science is settled.' So why was the CSIRO putting such an effort into the science of
climate change? What CSIRO is doing is putting more effort now into the science of resilience and remediation—into dealing with the impacts of a climate which, we all can see, has been changing. And it has been changing, I have to say, for thousands of years. What the CSIRO is—in my view, rightly—doing is saying: 'Let's direct some of our expertise into the area of what we do about the changing climate.' For some reason, Senator Carr does not like that. But to me and, I suggest, to most Australians, that seems to be a reasonable use of the taxpayers' resources in funding scientific effort in the CSIRO.

Senator WHISH-WILSON (Tasmania) (15:14): I will just add a very brief comment to that. What Senator Macdonald does not seem to understand—and what, had he come along to the committees and listened to the evidence, he would actually understand—is that the modelling and measurement and monitoring work that is being done by the scientists, especially in the Oceans and Atmosphere division, where the jobs are at stake, is being used almost specifically for mitigation and adaptation work. It is not about proving that climate change is in. That was in 2007 with the IPCC international declaration that climate is changing and we need to do something about it. These scientists provide the data that is being used by research institutions, farmers and so many stakeholders right across the country and it is worth billions of dollars to our economy. The CSIRO is not making a decision to get rid of these people; it is a small handful of people within the CSIRO. I suggest the minister's office is very likely to also be on the same page in getting rid of climate scientists. In terms of mitigation and adaptation, we have not heard any evidence that CSIRO have any solid plans for ramping mitigation and adaptation strategies up, except perhaps for fugitive gases from the coal seam gas industry. That is an area where they see potential for future growth, not for cutting emissions.

I would like to thank Senator Carr for his vigilance and I recognise his contribution in standing up for climate scientists at CSIRO, especially in my home town of Hobart. They expect politicians to be bipartisan or tri-partisan on this issue. They expect all of us to see common sense and make sure that good policy is enacted. The Senate committee inquiry into scrutiny of financial advice that Senator Carr referred to is having another hearing with the CSIRO's Larry Marshall next week. That is why we need this information now. We are running out of time. We only have six days to meet with the CEO, so we need to get this information as soon as possible. The Greens add our support to his call for 100 per cent transparency on this issue.

Question agreed to.

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Financial Services

Australian Securities and Investments Commission

Senator DASTYARI (New South Wales) (15:16): I move:

That the Senate take note of the answers given by the Attorney-General (Senator Brandis) and the Minister for Finance (Senator Cormann) to questions without notice asked by Senators Dastyari and Ketter today relating to scrutiny of the banking and financial services sectors.

The unbelievable chutzpah of those opposite in the government and how they have behaved in relation to a possible and necessary royal commission into the Australian banking and financial services sector is shocking. The government were prepared to run political royal
commissions into pink batts and trade unions, targeting their political opponents, and at the same time they were not prepared to put up a microscope for investigation into the Australian financial services and banking sector. Enough is enough. There has been scandal after scandal after the past few years. There is a long list: NAB financial planners, Commonwealth Bank financial planners, the IOOF, Trio, Storm, and CommInsure in the past few weeks. The list goes on and on. There was the potential rigging of the bank bill swap rate. At some point, as a society, as the government and as the parliament, we need to say, 'Enough is enough,' and we have to put some serious scrutiny on the banking sector. More importantly, it has to fundamentally be about the victims and allow the stories of the victims of some of the worst behaviour to be told.

We know some of the stories because of the work of the Senate Economics References Committee's report into the performance of the Australian Securities and Investments Commission. We know the stories of people like Marilyn Swan whose now 90-year-old parents were used and abused by: Commonwealth Bank financial planners. We know the stories of people like Veronica Coulston who spent six years fighting the National Australia Bank, NAB, to get her day and justice. In both of those cases, it took the scrutiny of the parliament and the media for their issues to be resolved. We know the story of the Commonwealth Bank whistleblower, Jeff Morris, who spent years going to ASIC raising these issues and what had happened at Commonwealth Financial Planning. It took the media, through Four Corners and Adele Ferguson, a Fairfax journalist, and the subsequent work of the Senate Economics References Committee to shine a light on that issue. Scandal after scandal; victim after victim. We know some of the stories, but there are so many stories out there that we do not know about yet. We know of tens of thousands of people who have been affected by these scandals.

Unless we have a proper royal commission, unless we have an opportunity to shine a light on this dark corner, those issues are not going to be resolved. An argument has been put out repeatedly by the government and others: 'We don't need one because we have a tough enough cop on the beat. The Australian Securities and Investments Commission does a tough enough job.' Let's just dispel that once and for all. The 520-page Senate Economics References Committee report into the performance of the Australian Securities and Investments Commission highlights failure after failure. We know there have been cuts of $120 million to that agency by the government and we have heard from the chairman himself about the impact, but only a royal commission can look at ASIC itself and can look at the powers of the regulators. The regulators themselves have only been looking at individual cases and issues. It is time the victims were able to tell their stories, it is time the victims had their stories properly heard and it is time we had a proper detailed investigation.

I say to those opposite, 'If we don't come to parliament to look after and try to give a voice to those who are powerless, to those who are weak, to those who have been trod on and to those who have been taken advantage of, why go into politics?' If you are simply here to look after the interests of a handful of corporations and larger banks, why go into politics in the first place? The victims deserve to have their stories told.

Senator BERNARDI (South Australia) (15:21): I may not be alone in finding extraordinary the demands by those on the other side, and Senator Dastyari in particular, to have a royal commission, given their intransigence and refusal to acknowledge that the Cole
royal commission came to a number of very relevant findings about systematic abuse within the union movement. That is not to damn all unions with the same condemnation, but I do find it extraordinary that they think in this case a royal commission into the banking sector will somehow give victims a chance to ventilate their grievances and relate their cases and stories and yet, somehow, the Cole royal commission did not allow genuinely aggrieved people to do the same.

Senator Dastyari—and I quite genuinely think that he does believe that there needs to be further investigation in this area—is ramping it up, if I may characterise it like that, for political purposes, when he says that not only have there been substantial inquiries and a 530-page report by the Senate Economics References Committee that display some of the egregious offences by the banks, but that that is not enough and that we need to go further. Well, what I would respectfully suggest to Senator Dastyari and to my colleagues here in the Senate is that we need to implement some significant reforms arising from that Senate committee before even contemplating having another inquiry of any description into it. There is no doubt at all that the banking sector in this country needs to be reformed. There have been calls all around the world for reforms like this to take place.

One of the great issues that has been facing Western economies is that many of the banks have become trading banks—transactional banks—instead of relationship-oriented banks. They are looking at their customers as merely a means of turning a profit rather than as custodians of their customers' wealth and savings. They are using those savings to go out and punt in forex markets, to rig markets or engineer financial products, and then, ultimately, when it all turns turtle and goes bad, the government, because they are the guarantor of these banks, have to bail them out. That is one of the fundamental problems we have: the government is backing these banks, and the banks are not treating that guarantee in a respectful light.

One suggestion, which is in the process of happening internationally, is to separate the trading functions from the custodian functions of the banking sector—that is, to allow the custodian banks to make their margin in lending and things of that nature but not to engineer financial products. They have to separate and isolate their various units around the place. Now I am not saying that that is the answer, but it is one suggestion that perhaps should be examined. We do not need a royal commission to do that. We have to look at the problems with banking all around the world and ensure that they do not manifest themselves in this country any more than they have already.

But I make this point, which goes back to the union royal commission and the ABCC bill that is before this parliament—I am not going to get into that, though. We are trying to make people more accountable for the choices that they make on behalf of their organisations. Where we have circumstances where there is systematic abuse within sections of the banking community or the union community or anywhere else, then individuals need to be held to account.

It is not good enough to slap a corporate and say, 'You've got to pay $5 billion worth of fines', like they did recently with Goldman Sachs in America, or with any of these other investment banks that have been operating around the world, where they were caught rigging, stealing and conning people out of their money. That is not good enough. People need to be held to account. You should not be able to buy your way out of a corporate malfteasance of
such significance that it risks bringing down the financial system, or imperils the savings of millions, thousands, tens of thousands—whatever it is—of Australians and which may result in the government having to bail out that sector of the community. It is not good enough that people are not held to account for it.

I want to go back to 2008 in America. The Lehman Brothers crisis was brought about by poor lending standards, misrepresentation and poor practice of the banks. I do not know that anyone has gone to jail as a result of that. Sure, billions of dollars of fines have been paid. But those fines have been paid out of the profits that have been generated by ripping off the system, and the government bailouts in America have only enriched bankers. We have to prevent that from happening here. We do not need a royal commission. We need tighter standards in force, and that requires legislative action. (Time expired)

Senator O'NEILL (New South Wales) (15:26): I too rise to put remarks on the record with regard to the questions that were asked of Senator Brandis and Senator Cormann at question time today. One thing that is absolutely clear is that the confidence and trust that Australians had in banking institutions, and particularly the financial services sector, has been increasingly shaken throughout the course of this year, and over the last period of years, with the revelations day after day of scandals that have seen tens of thousands of Australians being ripped off.

As the chair of the Parliamentary Joint Committee on Corporations and Financial Services in the last parliament and as its deputy chair in this parliament I have had a front-row seat to the sort of tragedies that Senator Dastyari put on the record here this afternoon—the Trio scandal, the Storm Financial scandal, the Timbercorp scandal, and the CommInsure scandal that the Australian people have just been alerted to through the very good investigative journalism of Adele Ferguson. The Panama Papers are revealing an integration of banks into a system where money is moving around the world in corrupt ways, preventing transparency and the opportunity for fair taxation across the whole global economy.

Right now in Australia we understand that retirees have had their retirement savings absolutely gutted. I want to go to evidence that I received in an early day of doorknocking on the Central Coast in the seat of Robertson, which is relying on Labor to stand up for ordinary people who need banks to do the right thing and to be transparent. I recall knocking on a gentleman's door on a Saturday morning. He had worked all his life and he said to me, 'The only thing I wanted to do was have enough money to be able to take my family out for dinner on the odd Saturday night and to look after myself and my wife in our retirement.' He lost everything. He was about to put his house on the market. He lost everything because he was caught up in the Trio scandal.

This sort of behaviour by the banks—their culture and their set of key performance indicators—has distorted ethical behaviour and made it palatable within the banking sector, and within the financial services that are sitting within the banking sector, for people to do the wrong thing. Ethical standards have to be articulated and they have to be maintained. Families have been rorted out of hundreds of thousands of dollars.

In the most recent inquiry, which the Parliamentary Joint Committee on Corporations and Financial Services should be reporting on in the very near future, we have been investigating constructive default in the area of small businesses and small business loans. ASIC before the Senate committee, in this building, in a committee room not too far away from here, one
evening were talking to us about the challenge they face in trying to bring to bear some power and some control over the standards of contracts that exist. Small businesses were signing up to contracts that were essentially declared to be unconscionable contracts, so excessively weighted in favour of the banks and against the interests of the small business owner that they prevent small business owners from ever getting redress from the banks when they are manhandled and abruptly and inequitably treated.

We know that the Prime Minister made some remarks that were called 'chastising remarks' to the banking sector in the recent celebrations of Westpac, but chastising remarks are not enough. To say, 'There have been too many troubling incidents over recent times for them simply to be dismissed,' is just not enough. That is why Labor is calling for a royal commission into our banking sector to make it a safer, more equitable, more transparent place in which Australians can be sure that the money that they have worked very hard to gather and that they want to invest in businesses is going to be handled properly in our banking system rather than seeing the extraordinary abuse of power that we currently see in too many sections of our banks.

We have seen eight of the Liberal and National parliamentarians defying the Prime Minister and making it clear that they also support a royal commission: Senator John Williams, who is on the committee with me, and Mr Warren Entsch, just to name two. There are others around the country: eight parliamentarians from their own ranks who are willing to stand up and say it is time for a royal commission—not a fake royal commission but a genuine royal commission into banking in this country. *(Time expired)*

**Senator REYNOLDS** (Western Australia) (15:32): I too rise to take note of the ministers’ answers. The hypocrisy that is wafting over to this side of the chamber is almost overwhelming. Those opposite, who are now so stridently calling for a royal commission into these matters, are exactly the same members who only recently said that this royal commission was not necessary and have just been spending all morning saying how much they do not agree with royal commissions.

This government absolutely recognises that Australian banks and banking executives have not always lived up to the standards expected by our community. That is absolutely right, but this government will not be appointing a royal commission into banking and financial services. Why is that? Because we already have organisations with the same power, if not more power, as a royal commission to investigate, prosecute and act on these matters. What those opposite are calling for is yet another review and inquiry which will take hundreds of millions of dollars of taxpayer money and another three years. If anything demonstrates the difference in policy and approach, on this and many other issues, between the two sides of this chamber, I think this is it.

The royal commission has no power to enforce the law, whether through taking prosecution action against a person or body or by making a finding of breach of the law. ASIC, on the other hand, has strong powers to compel a person to answer questions under oath, compel the production of documents, seek search warrants, conduct investigations in a public forum, and then use the information in prosecutions—arguably much stronger than anything the royal commission could ever do, since it cannot investigate and take actions that lead directly to prosecution.

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CHAMBER
In fact, in direct contradiction to what those opposite have asserted, ASIC have commenced legal proceedings already against banks which are alleged to have engaged in market manipulation during the period from 2010 to 2012. They have commenced an investigation into the allegations surrounding CommInsure and the broader life insurance sector, and they are also undertaking investigations into the conduct of large financial advice firms under their wealth management project. Those opposite are now suddenly, out of the blue, calling for a royal commission which would grind this all to a halt instead of allowing ASIC to continue the investigations and possible prosecutions which would arise from those investigations. We absolutely need to continue to ensure that ASIC is operating effectively. This is why the government has commissioned a review to consider its capabilities and why we are considering the appropriateness of ASIC’s funding to ensure it can adequately investigate and prosecute any findings of wrongdoing—which is already underway without a royal commission.

I would just like to remind the chamber that Labor were in government for six years and never once—not once—looked at the Australian financial industry. In fact, in June last year Labor voted to reject a Greens Senate motion to hold a royal commission into the financial sector—exactly what they are calling for today. But this, as we all know, is just a cheap but potentially very damaging stunt which could actually hurt the country a lot and put a lot more uncertainty into the financial sector. We all know it is about the classic Labor tactic of diversion: ‘Let’s not have a look at the royal commission we already have and the findings of endemic corruption, bullying and a whole raft of unlawful activity that’s been found yet again arising in the building and construction industry, mostly from the CFMEU.’ Over 100 CFMEU officials at the moment are up before the courts on charges relating to engaging with bikies, enforcement, criminal activity of all types, kickbacks and standover tactics, right of entry breaches, blockading of sites, unlawful industrial action and—probably most of all for the nearly one million workers in the construction industry today—abuse, intimidation and revolting conduct that would never be acceptable in any other workplace in this country. When you have a look at what is before the courts and what has come out in the royal commission report, it is no wonder the Labor Party do not want anybody in this chamber and certainly anybody in the public really looking at the findings of the trade union royal commission. So this is classic Labor: ‘Don’t look at that royal commission; let’s have another one instead.’ (Time expired)

Senator KETTER (Queensland) (15:37): I can hardly think there is a case in our history where there was more justification for a royal commission. It cannot be more clear at the moment. We need to only look at the multiple inquiries of the Senate Economics References Committee, which I chair. Since 2014, there have been no fewer than five major inquiries into financial misconduct. These have included: scrutiny of financial advice, corporate tax avoidance, matters relating to credit card interest rates, forestry managed investment schemes and the parliamentary joint committee into the impairment of customer loans. All of these inquiries have related to matters which have disadvantaged thousands of Australians, taken their life savings, charged exorbitant fees, misled the customer and failed to deliver a service that would benefit the customer.

In that light, it is so disappointing to get responses from Senator Cormann in relation to the questions that were put to him. I asked about the $120 million cut to ASIC and the fact that
Mr Medcraft identified, back in 2014 when these cuts occurred, that 'proactive surveillance will substantially reduce across the sectors we regulate, and in some cases stop'. Now, if that is not a case of ignoring the warnings of Mr Medcraft at the time then I do not know what is.

We had a government in 2014 which proceeded with those $120 million cuts to the capacity of ASIC. Senator Cormann referred to Senate inquiries and the capability review in his response. We know the government are scrambling at the moment to look at trying to repair the damage that they have done to ASIC, but there are a number of questions to be asked, there, in relation to ASIC. We have the important position of the chairman of ASIC, which expires on 12 May, and we are still waiting to hear from the government as to who will be the replacement person for the chair position. We have seen that this government has failed to provide additional powers and penalties that were recommended by the financial system inquiry. This government is now, at the last minute, scrambling to try to head off the royal commission which has been called not only by Labor but by at least eight of the government's own backbenchers. I see in recent opinion polls that a royal commission has the support of nearly two-thirds of the Australian people, including a majority of those people who identify as coalition voters.

We know that an earlier inquiry into ASIC's performance was tabled on 26 June 2014, and just one day before that, 25 June 2014, the Senate initiated a very long and harrowing inquiry into forestry managed investment schemes—a major area of investment malpractice that fell within ASIC's regulatory purview. The committee's findings echoed those of the earlier report into ASIC that it was slow and reluctant to act on early warning signs of corporate wrongdoing. We know that ASIC has tried to improve its performance and one must commend some of the comments that have been made by Mr Medcraft, the current chair, looking at culture and then trying to address some of those issues. But it is extremely frustrating for the chair, I would imagine, to be trying to address these issues while at the same time facing $120 million in budget cuts, which he identified would affect their capacity to address these issues on behalf of the Australian people.

I believe that Australians are not being served under our current regulatory framework and that much needs to be done to correct this. Matters that have been raised before the Senate committees have been widespread and pernicious. They indicate systemic abuse under a lax regulatory environment by our trusted financial institutions for the benefit of their shareholders and no-one else. The Turnbull government's response to date has been one that we might expect of someone who is, himself, an ex-banker. If today's Australian Financial Review is to be believed, the government is scrambling around to try and put together a convincing set of actions to avert the royal commission that most Australians want. We need to urgently close down this issue once and for all, and this can only be achieved if the government appoints a royal commission into the banks.

Question agreed to.

**Multinational Tax Avoidance**

**Senator WHISH-WILSON** (Tasmania) (15:42): I move:
That the Senate take note of the answer given by the Attorney-General (Senator Brandis) to a question without notice asked by Senator Whish-Wilson today relating to corporate tax avoidance.

Of all the important issues that we are talking about around the country, going into whatever happens with a federal election in the next few months, from the feedback I have received the
most important issue is that of tax avoidance—both multinational tax avoidance and tax avoidance by wealthy individuals. The Panama papers and the recent Four Corners Mossack Fonseca expose have certainly reignited public interest in this issue, but I must say that this chamber, the Senate—and Senator Ketter talked a bit about this earlier—including the economics committee that I have been involved with, has been looking very closely at this issue. In fact, Senator Milne, who is no longer with us, was the one who instigated the Senate inquiry into multinational tax avoidance, where we uncovered a lot of troubling information.

Very importantly, on 12 May, the British Prime Minister, David Cameron, will be hosting a summit that has been essentially driven by the revelations from the Panama papers. And there is a big outcry in the UK that the government has to finally step up and do something about this issue. There are some simple laws that governments here and in the UK can enact to make a difference on this issue. The fundamental problem is a problem of secrecy. It is a problem of lack of transparency and the need for disclosure. As was discovered on the Four Corners expose, individuals and companies are dodging their obligations to pay taxes that pay for hospitals and that pay for schools, because tax havens, or what are called 'secrecy jurisdictions', around the world are allowing organisational structures, front companies, shelf companies and trusts to hide the identity of wealthy companies and wealthy individuals. There is a whole layer of barriers put in place to allow that secrecy and to prevent the beneficial ownership of those structures from being known.

The Greens have, very sensibly, released a policy package that can help combat this issue. We are leading on this issue around the country. One of the things that we have outlined in policy is a register of beneficial ownership. If each country around the world forced people to sign a paper or tick a box that said, 'This is a beneficial owner of this company that owns these assets and has all this money in it,' then we would be halfway to solving this international problem of a parallel universe where wealthy people use loopholes to get out of paying their tax. The second part of secrecy which we need to overcome involves the exchange of information between countries. If we could identify the beneficial owners of these shelf companies and then have a system that allowed tax jurisdictions to exchange information, then we would make a significant dent in this issue. That is what we need to work on.

The solution sounds simple. The biggest problem, the reason why we cannot do anything about it, is that people in chambers like this do not give a damn about it. The reason they do not give a damn about it is that a lot of the money they receive in corporate donations and donations from wealthy individuals is used for elections and their re-election. This is the same in the UK. The UK has an even bigger issue that Prime Minister David Cameron has to tackle, and that is that it is actually UK jurisdictions, like the ones I outlined in my question, that are being used, primarily, around the world for the kind of money laundering and tax dodging that goes on. It is not just small countries like Panama, the Cayman Islands or the British Virgin Islands; the big national economies like the US, the UK and Australia are not doing enough. In fact, if anything, they are getting in the way of global agreements.

So the Greens released a package last week—18 policies, many of them fully costed—that will make money for the Australian people, that will bring in billions of dollars of revenue, by cracking down on tax cheats so that that money can be used and spent in this country on the things that are needed. Potentially, tens of billions of dollars can be returned to the tax
department, if we properly resource it, reverse the job cuts, give new laws to ASIC, new laws of disclosure around this country, and actually use government policy to penalise multinational corporations that will not exchange information with the government or that operate out of dodgy tax jurisdictions like we heard of Wilson Security doing, during the Four Corners expose—half a billion dollars of government contracts and we do not know if they pay any tax. Surely we can make a difference. The Greens are leading on this issue. I am very proud to say that we will continue to do this going into the election. *(Time expired)*

Question agreed to.

**BUSINESS**

**Days and Hours of Meeting**

*Senator FIFIELD* (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (15:48): by leave—I move the motion standing in my name, the terms of which have been circulated in the chamber:

(1) That the days of meeting of the Senate for the remainder of 2016 be as follows:

   (a) Tuesday, 19 April and, if required:
      (i) Wednesday, 20 April and Thursday, 21 April, and
      (ii) Tuesday, 26 April to Thursday, 28 April;
   (b) Monday, 2 May to Thursday, 5 May;
   (c) Monday, 9 May to Thursday, 12 May; and
   (d) Monday, 20 June to Thursday, 23 June
      Monday, 27 June to Thursday, 30 June
      Tuesday, 23 August to Thursday, 25 August
      Monday, 29 August to Thursday, 1 September
      Monday, 19 September to Thursday, 22 September
      Monday, 10 October to Thursday, 13 October
      Monday, 7 November to Thursday, 10 November
      Monday, 21 November to Thursday, 24 November
      Monday, 28 November to Thursday, 1 December.

(2) A day of meeting specified in paragraph (1) (a) shall be taken to be required if the Senate has not finally dealt with the following bills:

   Building and Construction Industry (Improving Productivity) Bill 2013 [No. 2]
   Building and Construction Industry (Consequential and Transitional Provisions) Bill 2013 [No. 2]
   Fair Work (Registered Organisations) Amendment Bill 2014 [No. 3]
   Road Safety Remuneration Repeal Bill 2016
   Road Safety Remuneration Amendment (Protecting Owner Drivers) Bill 2016.

(3) That the hours of meeting for Tuesday, 3 May 2016 be from 12.30 pm to 6.30 pm and 8.30 pm to adjournment, and for Thursday, 5 May 2016 be from 9.30 am to 6 pm and 8 pm to adjournment, and that:

   (a) the routine of business from 8.30 pm on Tuesday, 3 May 2016 shall be:
      (i) Budget statement and documents 2016-17, and
      (ii) adjournment; and
(b) the routine of business from 8 pm on Thursday, 5 May 2016 shall be:

(i) Budget statement and documents—party leaders and independent senators to make responses to the statement and documents for not more than 30 minutes each, and

(ii) adjournment.

I will just make some brief remarks. I do not think there could have been a clearer or more public indication of the government's intent and reasons to have the Senate sit for additional weeks. That was outlined by the Prime Minister a number of weeks ago. The purpose of these additional weeks, as you know, Mr Deputy President, is to deal with the Australian Building and Construction Commission package of bills, the registered organisations legislation and an issue that has really come to the fore over recent weeks, the Road Safety Remuneration Tribunal. They are the matters that the government seeks to have addressed in these additional weeks. It has been made clear through the publication, a number of weeks ago, of a draft sitting schedule for the balance of the year to indicate the weeks that we would seek to move a motion for in this place.

We have taken a practical approach to the wording of the motion. We outline, obviously, the necessity to sit for the balance of this week. We outline the sitting pattern from the budget week on through the rest of the year. We also in the motion provide for the Senate to sit next week. But, in relation to the sittings of the Senate next week and indeed for the balance of this week, we make it clear in the motion that those days are required 'if the Senate has not finally dealt with the following bills'. So, if the Senate manages to address the bills that we are seeking to have resolved and does that in short order over the next day or two or three, then there would not be the necessity for the Senate to sit next week. That is the practical approach that we are taking.

I understand that there may be others in this chamber who want to 'reverse engineer' the motion to remove next week and, should it prove necessary to sit next week, then enter discussions to move a subsequent motion to have sitting days next week. I think it is more practical if we take the approach that is in the minister's motion here—that being that we provide for next week but that it is only required if we have not addressed the legislation that the government would like to see resolved. I think it is a practical approach and I commend it to my colleagues.

Senator MOORE (Queensland) (15:51): I am the 'reverse engineer', and I am putting before the Senate that, in terms of clarity, we believe it is more clear for the Senate to have on record that we are sitting this week, with a clear indication, as in the minister's motion, about the range of bills the government wish to bring forward and the sitting times on Wednesday and Thursday if required. We believe that it is actually an easier way for the Senate to handle our business to see how we are going with our debate in terms of the process and then, should there be a requirement to come back next week, we would be able to take that decision as a Senate later in this week. Our amendment is that the motion before the Senate should clearly say that the days will be (1)(a)(i), that (1)(a)(ii) be deleted and then the days continue as set out. I actually take the point that the minister has made that the media was quite clear that the intention of people coming back for this sitting was to look at the particular pieces of legislation. The focus was always coming back to the Senate to look at the pieces of legislation that are listed on the days of meeting motion. We do not agree with that, but that is the process that has been put forward.
For the rest of the days of meeting of the Senate, Labor will make every effort to ensure that the pieces of legislation are completed this week. Should there be a need towards the end of this week, Wednesday or Thursday, we would be open to the Senate considering whether it is required to come back next week. We do not consider that is reverse engineering. We consider that the Senate should own the process for its hours of sitting and be able to look at how the debate can continue over this period of time. Labor are making the small amendment to remove (1)(a)(ii), referring to the sittings for next week, and then we want to see how the process continues and, should it be required, we will consider whether there is a need to come back next week. I move:

Omit paragraph (1)(a)(ii).

The DEPUTY PRESIDENT: The question is the amendment moved by Senator Moore be agreed to.

The Senate divided. [15:58]

(The Deputy President—Senator Marshall)

<table>
<thead>
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<th>Ayes</th>
<th>35</th>
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<td>Noes</td>
<td>31</td>
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<td>Majority</td>
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AYES

Bilyk, CL  Brown, CL
Cameron, DN  Carr, KJ
Collins, JMA  Conroy, SM
Dastyari, S  Di Natale, R
Gallacher, AM  Gallagher, KR
Hanson-Young, SC  Ketter, CR
Lambie, J  Lazarus, GP
Leyonhjelm, DE  Lines, S
Ludlam, S  Ludwig, JW
Madigan, JJ  McAllister, J
McEwen, A (teller)  McKim, NJ
McLucas, J  Moore, CM
O’Neill, DM  Peris, N
Rhiannon, L  Rice, J
Siewert, R  Simms, RA
Singh, LM  Urquhart, AE
Waters, LJ  Whish-Wilson, PS
Xenophon, N

NOES

Abetz, E  Back, CJ
Bernardi, C  Birmingham, SJ
Brandis, GH  Bushby, DC (teller)
Canavan, MJ  Cash, MC
Colbeck, R  Cormann, M
Day, RJ  Edwards, S
Fawcett, DJ  Fierravanti-Wells, C
Fifield, MP  Johnston, D
Lindgren, JM  MacDonald, ID
McGrath, J  Muir, R
Question agreed to.

**The DEPUTY PRESIDENT (16:00):** The question now is that Senator Fifield's amended motion be agreed to.

Original question, as amended, agreed to.

**Leave of Absence**

**Senator BUSHBY** (Tasmania—Chief Government Whip in the Senate) (16:01): by leave—I move:

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

Question agreed to.

**Leave of Absence**

**Senator McEWEN** (South Australia—Opposition Whip in the Senate) (16:01): by leave—I move:

That Senator Sterle be granted leave for today, 18 April, and 19 and 20 April for personal reasons.

Question agreed to.

**COMMITTEES**

**Economics References Committee**

**Reporting Date**

**Senator McEWEN** (South Australia—Opposition Whip in the Senate) (16:02): by leave—I move:

That the Senate adopt the recommendation contained in the report and that the second report of the committee on its inquiry into the foreign investment review framework be presented on 28 April 2016.

Question agreed to.

**Environment and Communications References Committee**

**Reporting Date**

**The Clerk:** Notifications of extensions of time for committees to report have been lodged in respect of the following:

- Economics References Committee—collapse of listed retailers—extended from 12 May to 14 September 2016.
- development of bauxite resources near Aurukun—extended from 31 March to 10 June 2016.
- Environment and Communications References Committee—large capacity fishing vessels—extended from 30 April to 24 August 2016.

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**CHAMBER**

**NOES**

Nash, F  
Paterson, J  
Reynolds, L  
Ryan, SM  
Sinodinos, A  
Williams, JR  
O'Sullivan, B  
Payne, MA  
Ruston, A  
Seselja, Z  
Smith, D
marine plastic pollution—extended from 8 April to 20 April 2016.

The DEPUTY PRESIDENT (16:03): I remind senators that the question may be put on any of those proposals at the request of any senator. There being none, we will move on.

MATTERS OF PUBLIC IMPORTANCE

The DEPUTY PRESIDENT (16:03): I inform the Senate that at 8.30 am today Senators Leyonhjelm and Moore each submitted a letter in accordance with standing order 75 proposing a matter of public importance. The question of which proposal would be submitted to the Senate was determined by lot. As a result, I inform the Senate that the following letter has been received from Senator Leyonhjelm.

Pursuant to standing order 75, I propose that the following matter of public importance be submitted to the Senate for discussion:

The taxation of tobacco in Australia.

Is the proposal supported?

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

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

Senator LEYONHJELM (New South Wales) (16:04): Tobacco taxes are no joke. Australia currently has amongst the most expensive cigarettes in the world. Most of this is due to tobacco taxes. A typical pack of 25 branded cigarettes currently costs about $28. Even the cheapest brands are over a dollar a stick. Of this, about three-quarters is swallowed up by the government. In other words, the government collects more than 75c on every smoke.

The Abbott-Turnbull government's decision to implement Labor's policy of a series of four 12.5 per cent annual increases in tobacco tax was appalling. But, of course, too much is still not enough. Both Labor and the Liberals are intending to push up the tax even more. More than four-fifths of the cost of a pack will be tax. When smokers buy a pack of cigarettes, they will get little change from $40, and they will pay around $32 in tax.

This money is being taken from Australia's poorest people. It is acknowledged on all sides that our poorest citizens tend to be the ones who smoke. Smoking is highest among low-paid workers and among those who do not have jobs at all. Among prisoners, ex-prisoners and drug users, it is well over 50 per cent.

Increases in taxes on cigarettes means thousands of Australians, struggling to pay for their groceries or school excursions, will be hurt even more, because of the insatiable greed of governments underpinned by middle-class snobbery.

The assertion that smokers hurt non-smokers by claiming more than their fair share of government spending is wrong. It is simply not true. It is not something to be pleased about, but the evidence shows that, by dying early, smokers save the public purse. Smokers receive fewer years of age pension payments and incur lower lifetime public health costs than non-smokers.
A 2008 Dutch study found that, due to differences in life expectancy, lifetime health costs are highest for people with a healthy lifestyle, lower for obese people and lower still for smokers. Other studies find similar macabre results.

If it is true that we need to recoup public costs from people's lifestyles—and I do not believe we do—then we ought to be imposing more tax on running shoes, gyms and health food.

Smokers have been estimated to generate public health and bushfire-related costs of around half a billion dollars a year, and yet the government collects more than $9 billion in tobacco excise each year. This means smokers contribute at least 17 times more than they cost the public coffers.

But even if you accept the argument that smokers impose significant costs on the healthcare system that need to be recouped via taxation, as soon as tobacco excise is used to fund something unrelated—whether it be Gonski or shipbuilding—it ceases to be about healthcare; it is about raising revenue to spend on other things. The poor, Indigenous, prisoners and mentally ill are paying for the sorts of untargeted spending that are of most benefit to the middle classes. More than 40 per cent of Indigenous people smoke, and their families are about to get a whole lot poorer. So much for 'closing the gap'.

Nobody would argue that it is a healthy choice to continue to smoke, but it is also not good for the welfare of low-income families to be spending more and more of their income paying cigarette taxes. It is also not necessarily good for raising money. Quite a lot of the additional revenue the government collects in tobacco taxes is already money that it has paid to smokers in the form of benefits, including welfare and pensions. Raising tobacco taxes will simply increase this churn, leaving poor families with lower standards of living and increasing pressure on the government to boost benefits. Another effect of the tax increase will be continued growth of the illegal tobacco market. This currently accounts for over 14 per cent of the total tobacco market, as measured by KPMG. The government receives no revenue from the organised crime gangs that run it, and is now missing out on over a billion dollars a year in tobacco excise. That is a billion dollars that could go towards 'closing the gap'.

Public discussion of the tobacco tax, carried out with missionary zeal by politicians and public health officials, entirely ignores the welfare of those who continue to smoke despite it. It is as though the only people who count are converts to non-smoking orthodoxy, while those heathens who continue to smoke are collateral damage. But Labor and the Liberals' plan to pick smokers' pockets is not just about robbing the poor; it is about robbing the poor to pay the rich. Labor wants to use tobacco tax revenues to prop up free access to state government schools, rather than charge rich parents for such access. And the Liberals want to use tobacco tax revenues to fund things like the extension of childcare subsidies to people with high incomes.

It is bad enough that smokers are prohibited from smoking in places where there is no prospect of causing harm to other people. It is bad enough that private property owners are prohibited from deciding for themselves whether to permit smoking on their premises. But robbing the poor to pay the rich is unconscionable, whether your political views are left, right, authoritarian, libertarian or whether you are a splitter from the People's Front for the Liberation of Judea.
The Liberal Democrats believe in the liberal principle that it is only legitimate for the
government to intervene when it is to prevent harm to others. We will never vote for an
increase in taxes or a reduction in freedom. I am proud to stand up to for smokers on both
counts. We support the right of smokers to choose whether to smoke, irrespective of the fact
that they might be making an unwise choice. We alone offer smokers a choice at this election
to take a stand against greedy governments and the equally disgusting puritans who want to
tell them how to live their lives.

Senator BERNARDI (South Australia) (16:11): I find myself in a unique position in that
I agree very much with the sentiments that Senator Leyonhjelm has put forward—but I am
going to be entirely more moderate in my use of analogies and my wording today.

Senator Payne: You used the 'M' word.

Senator BERNARDI: Yes, moderate. It is a word that does not pass my lips very often,
Senator Payne. I stand here—and I need to get this on the record—as no fan of smoking. I do
not endorse smoking. I am someone who struggled very much and with great difficulty to
kick the habit. It took me getting seriously ill before I could actually stop smoking. It is
something I do not want my children to do. I think it is probably the single dumbest thing
anyone can pick up. It does not taste good, to start with, and you have to spend a lot of money
to do it. But, nonetheless, people do have the right to consume a legal product in this country
in a legal manner.

Where those products are put forward, I do think it is important for governments to stop
treating individuals as simply economic units—if I can characterise it like that—and they
should not just be seen as cash cows for spendthrift governments to pursue policies that rarely
pass the common-sense test. I make the point that successive governments in this country
have always looked towards smokers and drinkers as one of those economic units. When I
was a younger man, the headlines used to be: 'Budget—cigs up and beer up'. That was just
accepted as part of government revenue raising. I think we have to start to reconsider how
governments are raising revenue and what the government is actually spending the money on
and think about whether there might be a better way.

For those who were characterised as the puritans or the nanny state brigade—and I hope I
am accurately reflecting what you said, Senator Leyonhjelm—who simply say that people are
consuming a product that is causing them harm and therefore we should dissuade them from
doing something, I ask: where is that going to end? We already have advocates in this place
and out there in the public sphere who say that we should be levying a tax on products with
sugar in them, that we should be having fast food taxes and that we should be banning all
sorts of advertising. The same rhetoric, the same sort of terminology and the same emotive
arguments are being put forward with regard to a whole range of new issues that first began
with tobacco.

We know tobacco is bad for us. We know that if we can discourage people from smoking,
through education and making wise choices, it is a positive. But simply entreating those who
are addicted to nicotine, which is a serious addiction, by putting the price up when, as Senator
Leyonhjelm, points out, many of these people are already being funded by, to a large extent,
government welfare initiatives, we are right to ask ourselves: 'What's the point?' It would
mean the cost of living would rise and we would need to endorse increases in welfare—and,
in some instances, indulgences—rather than holding people responsible for themselves.
This is a tough debate and it is a tough argument to win. It is very easy to push the emotive button and say: 'Smoking is bad for you. By making it more expensive, we're going to discourage people from smoking.' There may be some research that supports that, but I am always sceptical of advocacy research. On plain packaging for tobacco products, we have been told that a whole bunch of research attached to that has reduced the rate of smoking. But the evidence, I think, is somewhat to the contrary. In fact, the review of the policy—we have investigated this at Senate estimates—came after the policy had actually been implemented; they were asked to comment on the 'proposed' policy after it had already been in permit. So they have got the cart around the wrong way; that is how I would characterise it. They are not really interested in the social outcomes; in my mind, they are more interested in getting the revenue. We should come back to the principle that governments have enough money already, if they stick to their knitting. For those on the other side who say I am like a broken record on this, it is true, I am—because there is plenty of money if we stop wasting it, if we stop the money-go-round and the churn, if you will.

Senator Leyonhjelm made a point about subsidising child care—and that is why we need the government to justify taking revenue from another part of society. I have a view that, if we took less from people in the first place, they would then be able to make choices—whether it be in regard to child care, housing, health care or anything else—without needing subsidies from government. And that would free government up to look after those who are truly in need—those who need guidance and assistance in leading an appropriate lifestyle in this country free of poverty—and to make sure children can be educated no matter the parents' circumstances.

But we have got to address the elephant in the room, and that is that there is an increasing number of people out there who are demanding that government do things that are really the responsibility of individuals themselves. I stand to be corrected on this, but I think there was a report last week that basically said that the half of the population who are paying tax are subsidising the other half who are not. Basically, one-third of people are responsible for paying taxes in this country because something like 50 per cent of taxpayers get more in benefits or accommodation from government than they actually paying tax. This is insane, it is ridiculous, it is completely unsustainable. If you need any more evidence that it is unsustainable, simply look at the demography—which the Prime Minister referred to in his first speech to the parliament. Demographics determine the future fate of a nation as much as anything else. The number of welfare dependent people we have in Australia—people who are not paying their fair share or however you want to characterise it—is growing so much that we are in an unsustainable circumstance. The children in this country—and there fewer of them coming into the world—are going to be the ones responsible for propping up a system that seemingly no-one is prepared to say we have to change. It means a smaller number of people are going to be supporting the demands of a greater number of people.

We in this place today have a responsibility to say: 'Enough is enough. It's not for our children, in the next 20 years, to subsidise the indulgences of today; it's not for their children to subsidise our lack of wherewithal and say, "We've got to change the system." There is a better way. We cannot continue to have government growing to be the major share of our economy; we cannot have it so that 50 per cent of the people are paying and subsidising the
removing 50 per cent of the people. So governments need to get themselves off the drip of saying: 'That person is using; let's continue to ramp up the taxes.'

Coming back to tobacco tax, a 12.5 per cent excise increase is scheduled for 1 September—and that is the fourth 12.5 per cent increase. When are we going to say enough is enough? When are we going to see the arguments about sugar taxes, fast food taxes, extra grog taxes and all of these things, which I do not think are legitimate, being extended into a whole range of other areas because some nanny-statist comes out and says those things are pretty bad for us? There are lots of things I do that are pretty bad for me. Playing football on the weekend was really bad for my physical health. But I am not asking anyone to subsidise that—except for my chiropractor, who I think is going to buy a new car as a result of the injuries I have sustained! But that is not the point. The point is that I am taking responsibility for that. If I choose to smoke, as inane and silly as I find that, then let me accept that responsibility. If the government does not like it, let it ban smoking. It will not—because it knows that that is an impingement on freedom and it is wrong to impinge that freedom through the taxation system.

Senator MOORE (Queensland) (16:22): I can assure Senator Bernardi that I will not be going into any emotive arguments in my contribution. In terms of emotive arguments, it is not emotive to actually put before the Australian community the cost to the individual and to the community of smoking in our country. I know that the AMA has done significant work in this area, as have public health organisations, and it is clear that the impact of smoking on our community is strong. People's lives are impacted. I do take Senator Leyonhjelm's point—macabre as it was, Senator Leyonhjelm—that people who abuse their bodies in different ways, including smoking, end up dying earlier and costing the community less. It is an interesting point, and possibly accurate, but not one that I think any responsible government would build into their plan for the future.

Our position is very clear: we announced last year that we have a policy around increasing the tax on tobacco, for a number of reasons. One is for the health of the community, but also we are looking at a way of raising funds. It is true: there is a double incentive for what we are doing. But in terms of the process, the core argument is to ensure that we have the healthiest possible nation so our people will have informed choice. There is nothing about the policy that actually takes away individual choice on whether people choose to smoke or not. Basically, though, we mean that this choice must be informed. It must be informed on the level of knowing what the health risks are and what the impact of smoking will be. Part of our argument around that, as a Labor government, was introducing the plain packaging process, which was an attempt to show people—when, with free will, they purchase a product that is not illegal—what the consequences would be of taking up smoking and of buying that packet of cigarettes. That is an informed choice about what the health impact will be.

A second informed choice is the economic cost of choosing to smoke. Senator Leyonhjelm said our tobacco taxes are one of the highest in the world. The evidence I have is the evidence from the World Health Organization that says our tobacco taxes are not one of the highest in the world. There is always a graph; it does not matter what the topic is, you can always find someone to put things in some kind of linear form. But, at this stage, the World Health Organization currently considers that raising tobacco taxes to more than 75 per cent of the retail price for tobacco products is amongst the most effective and cost-effective tobacco
control interventions. This is an interventionist policy. I know that is something with which Senator Leyonhjelm does not agree, but it is factual. We have a different belief in this area. Having a tobacco tax is an interventionist policy, and it is interventionist because, again, we want to ensure that people who make the choice to smoke are clear about the impacts of doing so.

As you know, Labor introduced a series of excise raises during our government. The proposal that we have put forward, should we be elected, is an introduction of four annual 12.5 per cent increases in excise. Following the four 12.5 per cent increases in excise, taxation as the proportion of the retail price of a packet of cigarettes would sit around the World Health Organisation's target of 75 per cent. So, should this particular policy come into being, when you see a graph in the next round of our government you will see that we will be above where we currently are in terms of the impact of taxation on cigarettes. That is an important element; we have not shied away from the fact that the current Labor policy position has been costed by the PBO to raise about $3.8 billion over the current forward estimates period and $47 million over the medium term. With this increase, into the future people will be contributing more to the Australian economy.

That is the taxation impact of the choice that they make to smoke, but, in terms of the overall policy, we believe that the tax impost is but one element of the changes we want the Australian government to make for the community to ensure that their choices will be informed. I have mentioned the plain packaging process, and, of course, the evaluation of that process will continue. No change should be allowed just to sit there without evaluation, so we will continue to evaluate the impact of the plain packaging process. We know that other nations have been looking at what Australia did in that area and looking to see whether they could introduce it in their countries as well. We know also that under Labor we put the nicotine processes that you could use to wean yourself off the smoking habit on the PBS. So there is that element: you can get support with medication that you will be able to use if you make the choice that you want to stop smoking.

Most importantly, linked to this economic change, we need to ensure the availability of education programs, which were funded under Labor and which gave particular support to people who were wanting to try to stop smoking. Senator Bernardi graphically described that choice to us. In terms of supporting those choices amongst the population, we think that that counselling and support program should be available across the board and, in particular, to those groups of the population who have been identified as smoking more heavily than others. There has been considerable research done in that area, and one of the areas that I am most concerned about are the Aboriginal and Torres Strait Islander communities where, at this stage, according to the statistics that we have, they would be most likely to be the victims of the statistics Senator Leyonhjelm described about the fact that their lives are cut short by a range of choices that they make. We need to offer support in those communities to see that there are options and there are ways that you can make personal choices that are stronger for you and your health. To ensure this support is available, we are very concerned that those programs that have been introduced must continue to be funded. At the moment there is some uncertainty about that, as you know, with the funding processes.

In terms of the overall argument, it is clear that we need to ensure that our community is as healthy and as strong as it can be. Our figures indicate that each year in Australia tobacco still
kills more than 15,000 people and has more than $31.5 billion in health and economic costs. That does not mean just because you light up a cigarette you will immediately be killed. Some people try and make the stats way too direct and build up fear. We believe, as does the AMA work, that smoking is a contributing factor to the deaths of that large number of people in Australia. We as a nation should be taking that really seriously and looking at any way we can to ensure that our country is stronger and that we are able to, clearly, define what is in the best interests of our community and what is not.

It is a highly contested space, the argument about whether increasing the price will reduce the numbers of people using a particular product. It has been looked at in the area of alcohol. We have heard about sugar this afternoon. It is one of those things where you have to weigh up the evidence. So much of it is in front of you. Senator Bernardi's comment that some of it could be swayed in a particular direction is quite real. Any evaluation of any program should be as independent as possible. But the bulk of the evidence we have, over many years of research, indicates that the price mechanism is one aspect of the decision. If you increase the price of a particular product, whether it be tobacco or housing or anything else, it impacts on the choice that someone makes.

The measure we have in front of us about taxation around tobacco is one the Labor Party strongly supports. We believe we should use this as an interventionist policy along the lines of ensuring that there is an informed choice by people in the community on whether they wish to continue to smoke or not. It has a double impact. If people choose not to smoke, we believe, that would be beneficial to their health. It would also impact on the figures that could be saved in this particular program.

We have built up a policy that looks at the health of a nation as well as a way of increasing taxation in our budget so that we will be able to get income as a result of a measure that we are taking for the double purpose. When we introduced this particular tax in our policy, last year, the government decided it was an outrageous grab on citizens' money. We believe, now, that they are supporting that as an economic issue. (Time expired)

Senator DI NATALE (Victoria—Leader of the Australian Greens) (16:32): I was able to hear the first part of Senator Leyonhjelm's speech, which was more of a pitch for tobacco donations to help fund his re-election campaign than it was based on evidence or fact. Senator Leyonhjelm is, clearly, somebody who benefits substantially from those huge donations from the tobacco industry. Given that this is his last opportunity to talk to the likes of Philip Morris and British American Tobacco about what a wonderful senator he has been, representing the interests of the tobacco industry, he felt it was important to take the opportunity in this final week to remind them that it is worth them tipping into his campaign.

He talked about tobacco taxation as theft and called it a tax on people having a good time. Having worked as a GP and having seen somebody gasping for breath because they have end-stage emphysema or lung cancer, they would not call what they were experiencing as 'having a good time'. The young kid who has lost their mum or dad prematurely, as a result of a tobacco related death, would not say that they were having a good time. He also described tobacco taxation as theft. He completely ignored the theft from the disreputable and amoral tobacco industry that has a long track record of having lied before Senate committees, of shredding evidence and documents, and doing everything they can to prolong a business model they know has only a matter of time before it is broken.
Despite the fact that across most developed countries we are seeing significant declines in smoking rates, the tobacco industry is aggressively targeting those low-income countries that have poorer levels of governance and that are more open to corrupt activities. It is the tobacco industry that is responsible for fuelling a boom in smoking amongst those developing nations. They are doing it because what they are selling is a nicotine delivery device—to use their own words—to ensure that they get their customers hooked and keep them hooked.

We know that the consequence of that is a product that will kill one in two regular users. Just think about that. It is a legal product that will kill one in two regular users. If that product were seeking to be registered or licensed, today, it would never be able to be sold legally. Yet we have a product that is responsible for about 20 per cent of all cancer deaths. It is responsible for about 15,000 preventable deaths in Australia each year. In the time I have given to making this speech, somewhere around 100 people will have died as a result of this product.

We know the huge costs it imposes on people and society. We know it is over $30 billion in social and economic costs. You know all the statistics. You know what a harmful product this is and you know that any reasonable person in the parliament should be doing what they can to try to reduce the number of people who smoke. In Australia we are fortunate, because we have made significant progress by adopting good public health measures. We know that advertising is a factor in driving consumption, so restricting promotion in advertising of cigarettes has been very successful. We saw bans on the advertising of tobacco products through organised sport. We know that you cannot have at all broadcast advertisements on TV for tobacco products. So advertising is a significant means of restricting use.

We know that Australia was one of the first countries in the world to introduce plain packaging, and congratulations to the previous Labor government for taking that sensible public health measure. We know the restrictions on the point of sale of those products, where access is another factor that drives consumption. But one of the most effective levers is price. That is why increasing tobacco excise is important as a stand-alone public health measure. We know it is regressive. It can be addressed through the tax and transfer system. We wholeheartedly support the measure. (Time expired)

Senator IAN MACDONALD (Queensland) (16:37): If increasing taxes on cigarettes is a Mr Bill Shorten thought bubble on additional tax, it has to be a bad idea. That should be the end of the debate. We know of Labor's record of taxing and spending. I often relate in this chamber an example of Labor's tax policy and their honesty. I happened to be in the parliament in the days when Mr Keating introduced, before an election that he thought he was going to lose, a tax amendment to reduce income tax. For those who remember back to those days, it was identified as the L-A-W law tax reduction. It went through parliament with the support of the then opposition, which was outside of parliament. No sooner had Mr Keating and Labor won the next election—unexpectedly, I might say—do you know the first legislative action they took? It was to repeal the law that they had passed just a couple of months earlier reducing taxes. So if you ever want an example of how to deal with Labor's promises on taxing and spending, there is a great example.

Of course, I need to go no further than the 2010 election, when Ms Gillard famously promised, as did her then Treasurer, Mr Swan, a week before the election, three days before the election, two days before the election, 'There will be no carbon tax under a government I
lead.' Remember that? You would remember that, Senator Polley. 'There will be no carbon tax under a government that I lead.' Let's not have an argument about carbon and emissions and taxes—let's just have a little discussion about honesty. There we are, hand on heart, three days before the 2010 election: 'There will be no carbon tax under a government that I lead.' What was the first piece of legislation that came in when Ms Gillard won the election? It was the introduction of a carbon tax.

People voted for Ms Gillard in that election because they took her at her word. They thought, 'We can comfortably vote for the Labor Party at that election and we will know that a carbon tax is not going to be on the agenda.' So many thousands and thousands of Australians did that on the basis of Ms Gillard's assurance and promise to the electorate. There are just two examples of how people should treat any promise made by the Australian Labor Party in relation to taxes and spending.

I suppose that I should be happy about the commitment from the Labor Party to increase taxes on cigarette smokers. I do not know if this is true, but I read it in the newspapers and people often talk about this, and these articles, newspaper reports and so-called experts tell me that it is principally the lower socioeconomic groups that smoke most. Of course, the amount that someone on a pension or an unemployment benefit might pay for a packet of cigarettes is much more substantial, as a percentage of their income, than it is for someone on $100,000 a year who might pay for a packet of cigarettes. So if I believe what the media say, this will impact on the lower socioeconomic groups, who—again, I do not have the statistics on this, but I think it is fairly well accepted in political science circles—are the principal supporters of the Australian Labor Party in every election. So if they are slugged, as Mr Shorten is proposing, with an additional tax on one of their few pleasures in life, hopefully it may encourage them to think differently about how they might vote at the next election.

It is these people that Mr Shorten's taxation proposal will impact most heavily upon. It is not as if these people are going to stop smoking. I know that many would like to think that if you increase the tax on cigarettes people will stop smoking. But that is not borne out by the figures. You have seen the forward estimates for the take from the tobacco excise on their current levels. This is not any new tax that Mr Shorten is proposing—this is just the increasing revenue from tobacco excise which is in place at the moment, thanks again to Labor, as the tax increases each year with the normal inflation rate. That was Labor's last proposal: we will make it so that when the cost of living goes up so does the excise on cigarettes. Can I tell the Senate that in 2014-15 the tobacco duty is estimated to bring in $8.848 billion. A year later—this is without any increase that Mr Shorten is proposing—in 2015-16 that $8.8-odd billion will go up to $9.150 billion; the following year to $9.7 billion; the following year to $9.9 billion; and in the 2018-19 year to $10.28 billion. Clearly, the increase in revenue and the automatic indexation of the excise is not stopping people from smoking. It is not cutting the amount of cigarettes and tobacco that is smoked; all it is doing currently, with the automatic increase, is increasing the revenue for the government. The idea that increasing the income from tobacco tax will stop smoking and have a health benefit is simply wrong. Certainly, that is not borne out in the material we have.

I have heard the Labor Party introduce five, what they call, 'policies' for the next election, and the tobacco tax is one of them. But all five policies are about increasing tax on someone. In Labor Party, that seems to pass as policy for the alternative government.
Senator Polley interjecting—

Senator IAN MACDONALD: And, Senator Polley, you think that is a good idea, I take it, from your interjection—that new policies that increase the taxation of Australians across the board are good. As I understand, Mr Shorten is proposing to bring back another carbon tax and another mining tax. Gee, I hope he does! We might need the votes! But the Australian public have already told you what they think about those ridiculous taxes. The carbon tax did nothing to reduce emissions. Even if it did, Australia is emitting less than 1.4 per cent of the world's emissions of carbon. Even if any increases had stopped that completely, it still would not have made any difference to the world's climate. And, of course, the mining tax—that famous mining tax that Mr Swan introduced—cost more to collect that it collected. These are the sorts of ideas, the thought bubbles, that the Labor Party have and that pass in their minds as policy commitments.

In concluding, I just remind the people of Australian: if you want trust in government, if you want people who understand how to manage the economy, how to reduce taxes and how to reduce wasteful spending, then you have to vote for the coalition.

Senator POLLEY (Tasmania) (16:47): It is always a joy to follow on from Senator Macdonald, as we can actually put some facts on the table. Fact number 1 is: each and every year, for Australians that smoke, over 15,000 people die from smoke-related illnesses. The economic and social cost of smoking is estimated at $31.5 billion a year. Labor's plan to continue raising tobacco tax will bring us in line with 33 other countries, help to drive down smoking and save thousands of lives.

When we unveiled our policy last November to continue the existing annual increases in tobacco excise, the Assistant Treasurer dismissed the idea as another tax hike, while the Treasurer said that, when it comes to tax reform, we have a very small and inconsistent appetite and that we are fringe dwellers when it comes to the issue of economic change and reform in this country. But last week we welcomed reports that the Turnbull government was set to back our world-leading tobacco policy, which is based evidence based and in line with international best practice.

On Senator Macdonald's contribution about tax, it was not that long ago that those on this side of the chamber and the public said—and it was only because of them—that they would not swallow the 15 per cent GST on everything. The government were all set to increase the GST—that is a fact. That is what they had planned. Also, they said that they would never put taxes on superannuation. Now, they are. The government said they would not support an increase in tobacco tax, but they are now going to do it. The Prime Minister and government said one thing before an election and have done something quite different. We know that Mr Turnbull is very good at having these thought bubbles, but the good thing about them is that most of them do not last from morning to night.

The reality is that the government will do nothing to ensure multinational companies pay their fair amount of tax. They will tax mums and dads, they will make cuts when it comes to family payments, they will attack penalty rates for some of the lowest workers in this country and they will want to introduce, as they already have tried, $100,000 for a university degree. We know that the government have made cuts under an attack on Medicare. That is what the government are about.
This is an important topic—of course, it is—because we as a Labor government introduced plain packaging for cigarettes in this country. In fact, we led the world. So we know the importance of it. It is one of the indicators that we believe will work and go a long way to reduce smoking in this country.

The government has brought the Senate back this week to parliament not to talk about the issues that matter to the Australian community, not to talk about jobs and creating jobs, not to talk about health and the cuts that they have made to hospitals around the country and the cuts that they have made to state governments when it comes to education. The fact is they have backed away from funding Gonski for five and six years, which will have an enormous impact on the children of this country. If funded, which we are committed to doing, it will actually drive the economy going into the future. The Treasurer cannot even communicate with the Prime Minister. They are not even on reasonable terms, but we are supposed to accept the ramblings and waffling on from not only Senate but also the current Prime Minister.

We on this side will do what we believe is in the interests of the country not just in the interest of our own survival. What is happening now is the government are panicking because, all of a sudden, the polls are showing that they are in trouble. If you actually go out and meet the people on the streets, if you listen to them and if you actually meet the constituents in your electorate offices, then you will understand that there is a lot of concern in the community. The concern is that they have been dunned. Malcolm Turnbull told the Australian people that he could do better—that is why he needed to roll Tony Abbott; that is why he knifed Tony Abbott. But the reality is: he is no different. The only thing about Tony Abbott that Malcolm Turnbull is different from is that he wears a better suit. The 2014 budget and all those cuts are still the policies the government will take to the next election. (Time expired)

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (16:52): We are here today discussing Senator Leyonhjelm's matter of public importance regarding tobacco taxes in Australia. Senator Leyonhjelm has publicly said that he is opposed to tobacco taxes and that he would fight for people's right to smoke. Smoking is an issue of major concern for Australians. Currently, 12.8 per cent of Australians smoke. This is approximately 2.5 million people. Each year in Australia, tobacco still kills more than 15,000 people, and it has more than $31.5 billion in health and economic costs associated with it. Those 15,000 Australians are fathers, mothers, brothers, sisters, grandparents, aunties and uncles. They are people we all know. They are loved by many, and often, too often, many young people die from the results of smoking.

On a personal note, my father, who died nearly 12 months ago, was a very heavy smoker. He smoked very heavily for 60 years from when he was a young boy. I can tell you that there is nothing more distressing, other than possibly being the person who is doing the coughing up, than watching someone coughing up revolting, awful, black mucousy gunk when they are suffering from emphysema. It was quite awful to watch him, but I am sure it was much worse for him, doing the coughing from emphysema, in his final days. I have to say that I will discourage anybody I can from smoking.

In my home state of Tasmania, we have traditionally had a higher rate of tobacco smoking than most other jurisdictions and Australia as a whole, with the exception of the Northern Territory. Between 2008 and 2012, an average of 502 Tasmanians died each year from
tobacco use. The Australian Health Survey in 2011-12 reported that 21.7 per cent of Tasmanians over 18 years of age were estimated to be either daily or occasional smokers compared to a then rate of 18 per cent nationally.

Tobacco consumption continues to have very serious health and economic impacts for individuals, families and the rest of society. The $31.5 billion in economic and social costs is more than triple the amount of the revenue raised by the Commonwealth from tobacco excise, which stood at around $8.3 billion last financial year. To put it another way, taxes on tobacco do not even cover a third of the costs caused by smoking. Senator Leyonhjelm talks about the freedom to smoke. But smoking is not a choice, it is an addiction, and 80 per cent of smokers want to quit. They are sick of the money they waste on cigarettes, they are sick of smelling of tobacco smoke, they are sick of the time they spend away from friends and family to go out for a smoke and unfortunately many are sick from preventable diseases caused by smoking.

Labor understands the importance of acting on this issue and thankfully significant progress has been made. Since 2007-08, the national daily smoking rate has dropped from 19.1 per cent to 12.8 per cent of the Australian adult population. Australia has been a world leader in tobacco control, pioneering measures such as advertising bans and plain packaging that have driven smoking rates to record lows. Our policies are being adopted as best practice internationally. Labor's world-leading plain-packaging reform has had a significant effect on reducing the rates of smoking amongst Australians. I think most people accept plain packaging now. I remember when we were trying to introduce it that the end of the world was nigh, but most people seem to accept it now. We stared down the ferocious legal attacks from big tobacco and this is now inspiring the rest of the world to follow this major advance in public health—for example, Britain and Ireland are now following Australia's lead.

Evidence also suggests that increasing the price of a packet of cigarettes is amongst the most effective ways to decrease rates of smoking, especially for younger Australians. That is why, in government, Labor introduced four 12.5 per cent excise increments from 1 December 2013. Combined with plain packaging measures, these increases will save thousands of Australian lives. The excise and taxation contribution to cigarette costs still remain well below other comparable nations. The World Health Organization considers that raising tobacco taxes to more than 75 per cent of the retail price for tobacco products is amongst the most effective and cost-effective tobacco control interventions. The World Health Organization calculates that Australia's tax contributions were 57 per cent—(Time expired)

Senator McALLISTER (New South Wales) (16:57): We have heard this afternoon that there are some senators in this chamber who are concerned about tobacco taxes taking money out of people's pockets. On the Labor side, we are more concerned about tobacco taking years off people's lives. We heard a quite moving testimony from Senator Bilyk about the very personal cost that came about from tobacco-related disease. Earlier this year, the Labor party proposed an increase in tobacco tax because we believe in putting people's health before tobacco company profits. We know that these taxes will make it more expensive for people to continue smoking. We do not apologise for this. That is, of course, the point. The World Health Organization considers tobacco taxes to be one of the most effective interventions that we can make to get people to stop smoking. Pricing is one of the strongest policy levers we have in helping people to quit. This is especially the case for people who are part of the price-
sensitive groups, particularly young people. All of the evidence points to the importance of preventing people from becoming addicted in their early years.

Our tax framework was one part of a broader policy. We put forward a series of excise rates while we were in government, and it was Labor that conceived and executed the plain packaging policy. Tobacco consumption fell approximately 13 per cent in the two years since plain packaging came into effect. While Labor was putting in place innovative policies to cut Australia's smoking rate, the Liberal and National parties were still taking donations from tobacco companies. These, of course, are the very companies that would later commence international arbitration proceedings against the Australian government to try to get the taxpayer to compensate them for their lost tobacco profits. Labor had stopped taking donations from those companies in 2004. The Liberals did not stop until 2013, and the Nationals, it seems, were still taking money as recently as last year.

We were happy to read reports that the government was going to get on board with the Labor policy and perhaps support higher taxes on tobacco. So it was a little bit surprising this afternoon to hear the coalition senators speak against tobacco excise in this debate. It might be that they just did not get the memo, or it might be that this is just another run up to yet another policy backflip on tax from this government. That would be disturbing not just in regard to the merits of the particular issue at stake but also because an increase in tobacco excise is the sum total of tax reform that we have seen from the government so far. We think that tobacco taxes are important. They are important for smokers. They are important for the health system. They are important for the budget. But they are not a comprehensive tax reform plan.

It is said that some people grow into high office. This Prime Minister seems to have shrunk into it. The Prime Minister took office promising economic leadership and, as it turns out, all that this means is refusing to take any tough decisions whatsoever about tax. The Prime Minister promised that everything would be on the table. Instead, he has spent the last nine months taking things off the table. He took the increase to the GST off the table. He flirted with negative gearing and then took that off the table, and he took capital gains tax off the table also. He very briefly had a discussion about double taxation and the role of states in income tax, and that very odd idea had a shorter lifespan than most butterflies do. We were promised a mature discussion, but it turns out that the Prime Minister is incapable of having a discussion with his Treasurer, let alone a discussion with the public or with the parliament.

We would be happy to see the coalition abandon their former corporate donors and support Australian smokers in quitting, and tobacco taxes are a critical part in this. This government has proven to be great at quitting. They have quit following constitutional precedent, they have quit responsible government, and now it seems they have quit tax reform. It might be really good, though, if they could support an increase in tobacco excise and help a few others to quit this horrible habit.

**The ACTING DEPUTY PRESIDENT (Senator O'Neill):** The time allocated for this discussion has expired.

**DOCUMENTS**

**Commonwealth Scientific and Industrial Research Organisation**

**Order for the Production of Documents**

**Senator RICE** (Victoria) (17:04): by leave—I move:
That the Senate take note of the document.

The documents that have been received out of sitting are the final documents that we have received in response to our order for the production of documents regarding the cuts to climate science at CSIRO. These documents have revealed an absolute litany of problems with the process that was used in these cuts to the CSIRO's climate programs and really show what is at the heart of these cuts. The critical thing which is revealed in these documents is the major shift that CSIRO is currently undergoing away from doing science for the public good. There are emails and documents here that clearly show that in the CSIRO of this government the only science that is going to be undertaken will be science that makes financial return. This means for science like climate science and environmental science where the client is 'the public good'—it is the future of our climate, it is the future of our wellbeing of our land and our water, the wellbeing of all of us—if that does not have the ability to bring in the dollars in the short term, it will not be done.

That is the fundamental thing that is very clearly behind these cuts to climate science. On top of this, we then have the incredibly poor process that was gone through with these cuts because of that fact. They did not want to put it as starkly as: climate science is not returning money; climate science is not something that this government is interested in, so we will cut it. They did not want to put it as starkly as that, so we then had the atrocious process that was gone through in order to get these cuts on the agenda. We had the business manager from the CSIRO Oceans and Atmosphere division essentially saying that the direction to cut the core jobs—the 100 out of the 140 climate scientists at CSIRO Oceans and Atmosphere division—was decided before their strategic planning process, the so-called 'deep dive' that a former chief of Oceans and Atmosphere division said was no more a deep dive than having a trip to the beach from Canberra and not even getting your cossies wet.

Even then, we had a deep dive process, this strategic planning process. That resulted in the recommendation to lose 35 climate science jobs out of 140 that are doing this crucial climate science. But then, with no justification, in the month of December, from these 35 suddenly we had 100 jobs that were going to be lost, which was going to decimate climate science. It is 100 jobs out of 140. Only very few scientists are going to be left to do this critical scientific research that is so important for our future as a nation. We have seen record breaking weather over the last month, the last months, the last year, the last decade. We need to know how that climate change is going to impact on Australia in the future. This is fundamentally what our CSIRO climate scientists do.

We have seen in these documents the misrepresentation by the head of CSIRO, saying that climate change has now been proven so we do not need to study it any more, and saying it is now time to move onto mitigation and adaptation. We agree with him. Climate change was proven definitively a decade ago, in 2007. Climate change is real—it is happening. The fundamental misrepresentation that is revealed in these documents, however, is that whereas the head of CSIRO is saying that we need to move onto mitigation and adaptation, that is what our scientists are already doing. In particular, most of the work of the climate scientists at CSIRO has been in the field of adaptation and yet this misrepresentation that the CSIRO climate scientists were not doing adaptation is revealed in these documents. The head of CSIRO has misrepresented it to the board, he has misrepresented it to the minister, he has misrepresented it to the Prime Minister. These documents reveal a fundamental problem in
the way that decision making is happening in CSIRO, and fundamentally this is why our efforts to get to the bottom of this are going to continue. We have another Senate inquiry hearing next week and we will continue to get to the bottom of it. This is critical information for Australia.

Question agreed to.

COMMITTEES

Membership

The ACTING DEPUTY PRESIDENT (Senator O’Neill) (17:09): The President has received letters requesting changes in the membership of committees.

Senator McGrath (Queensland—Assistant Minister to the Prime Minister and Assistant Minister for Immigration) (17:09): by leave—I move:

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

Environment and Communications References Committee—
Appointed—Senator McEwen

Health—Select Committee—
Appointed—Participating member: Senator Lambie

Legal and Constitutional Affairs Legislation Committee—
Appointed—
Substitute member: Senator Gallacher to replace Senator Collins for the committee’s inquiries into the provisions of the Customs and Other Legislation Amendment Bill 2016, and into the provisions of the Migration Amendment (Family Violence and Other Measures) Bill 2016
Participating member: Senator Collins

Rural and Regional Affairs and Transport Legislation and References Committees—
Appointed—Senator Gallacher

Scrutiny of Government Budget Measures—Select Committee—
Appointed—
Substitute member: Senator Carr to replace Senator Urquhart until 10 May 2016
Participating member: Senator Urquhart

Trade and Investment Growth—Joint Select Committee—
Appointed—Senator Ludwig.

Question agreed to.
BILLS

Aged Care Legislation Amendment (Increasing Consumer Choice) Bill 2016
Tax Laws Amendment (Norfolk Island CGT Exemption) Bill 2016
Business Services Wage Assessment Tool Payment Scheme Amendment Bill 2016
Corporations Amendment (Financial Advice Measures) Bill 2014
Tax Laws Amendment (Implementation of the Common Reporting Standard) Bill 2015
Courts Administration Legislation Amendment Bill 2015
Commonwealth Electoral Amendment Bill 2016
Law and Justice Legislation Amendment (Northern Territory Local Court) Bill 2016
Appropriation Bill (No. 3) 2015-2016
Biological Control Amendment Bill 2016
Appropriation Bill (No. 4) 2015-2016
Dairy Produce Amendment (Dairy Service Levy Poll) Bill 2016
Trade Legislation Amendment Bill (No. 1) 2016
Passenger Movement Charge Amendment (Norfolk Island) Bill 2016
Territories Legislation Amendment Bill 2016
Migration Legislation Amendment (Cessation of Visa Labels) Bill 2015

Assent

Messages from the Governor-General reported informing the Senate of assent to the bills.

Building and Construction Industry (Improving Productivity) Bill 2013 [No. 2]
Building and Construction Industry (Consequential and Transitional Provisions) Bill 2013 [No. 2]

Second Reading

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

to which the following amendment was moved:

Omit all words after "that" and substitute the following:

the Bill be withdrawn and redrafted to provide for the establishment of a broad-based anti-corruption watchdog, because in its current form it is an attack on workers and their unions and is not about addressing corruption at all.

Senator MADIGAN (Victoria) (17:10): As I was saying, this is a government whose Cabinet Secretary, Arthur Sinodinos, remains under investigation in the New South Wales ICAC over corruption allegations. Senator Sinodinos was also recently found by the Australian Electoral Commission to have been involved in a scheme to 'channel and disguise'
illegal donations to the New South Wales Liberal Party prior to the 2011 state election. Astonishingly, he retains the confidence of the Prime Minister.

Until recently, the government also had the honourable member for Fisher, Mal Brough, as its Special Minister of State. Mr Brough remains under investigation by the Australian Federal Police over his role in the James Ashby affair. In November last year, the AFP raided his home as part of its investigation. At the time, the Prime Minister publicly expressed confidence in his then minister, despite the police investigation and raid. Mr Brough has since resigned.

As for the Attorney-General, he is personally subject to allegations of perpetuating a cover-up in relation to the illegal bugging of the East Timorese cabinet by Australian intelligence operatives in 2004. It has also been suggested that a 2015 job offer he made to Human Rights Commissioner Gillian Triggs in the weeks prior to the commission's release of a damning report into children in detention constituted an unlawful inducement, although the AFP ultimately decided not to investigate the matter.

So when the government says there is no need for a federal corruption body, well, they would say that wouldn't they? There is plenty of evidence of corruption and misconduct in the building industry, and some of it is serious. However, there are allegations of high-level corruption in numerous sectors of society, including politics. I have just outlined some examples most of you are familiar with. There is also mounting evidence of widespread and potentially systemic corruption within the banking and finance sector. Yet when called on to hold a royal commission into the banks, the Prime Minister politely declined. In doing so, he firmly nailed his colours to the mast.

Every effort needs to be made to stamp out corruption and misconduct in the building industry, and wherever else it is occurring. However, this should not be at the expense of core democratic values. Any proposal to legislate in a manner inconsistent with these values must demonstrate a compelling reason for doing so. The government has not even come close to meeting this standard in the present case. Its case for bringing back the ABCC relies on an assumption that the building industry, which is a key driver of the Australian economy, is uniquely prone to corruption and misconduct.

On that point, I say that the government has tirelessly reiterated the fact that there are over 100 union officials facing over 1,000 criminal charges. I say, quite simply, that these figures reflect the effectiveness of our criminal laws, and the current law enforcers. The law is doing its job in prosecuting those alleged to have done wrong. Why, then, and how is the government justifying the re-establishment of this draconian body? Giving this body some of the greatest powers in the country will in itself lead to corruption and bullying. A number of studies have considered whether the previous manifestation of the ABCC brought about productivity gains. There is no compelling evidence to support this claim.

On the other side of the argument, the unions say that reintroducing the ABCC will compromise workplace safety. There is evidence that workplace injuries and deaths actually increased when the ABCC was last in operation. As a general rule, weaker unions mean less safe workplaces. In the construction industry, where the risk of workplace injuries and deaths is a very real one, this issue cannot be ignored.
This morning, I met with three courageous family members who had all lost their loved ones as a result of workplace accidents. Kay Catanzariti lost her 21-year-old son, Ben, who was killed on a work site in the ACT after a 39-metre boom from a concrete-pouring machine collapsed and struck him. Kay spoke of the immense assistance she was provided by the union after Ben's tragic death. They were on the end of the phone and still are, almost four years later, to hear Kay's concerns. There was also Michael Garrels, who lost his 20-year-old son, Jason, when he was electrocuted while moving a power board on a construction site in Queensland. Michael spoke of the possibility of his son still being alive today if there had been union presence on that work site. Finally, there was Andrea Madeley, who lost her son, Daniel, when he was torn apart in a workshop after his dustcoat became stuck in a horizontal boring machine. Andrea also spoke of the possibility of having her son, Daniel, alive today if there had been greater union presence at Daniel's workplace.

We are moving past what really matters here: the health and safety of our workers. The issues that Kay, Michael and Andrea have all had to deal with should not swept under the carpet or suffocated by the return of the ABCC.

All that said, I doubt there is a single senator in this chamber who believes the Prime Minister recalled the parliament with the genuine intent of passing the ABCC bills. This has always been a nakedly political play. The government's aim is to give it the trigger it needs for a double dissolution election. The government's aim is to clear the Senate while setting up a campaign narrative centred on industrial relations. An election won on these terms would bring with it the passage of the ABCC and registered organisations bills in a joint sitting of the new parliament. This would seriously weaken the union movement while giving the government a mandate for industrial relations reform. As to what this might entail, I refer to an interview the Minister for Employment gave to The Australian in October last year. Under the headline "'I'm not for turning', says Michaelia Cash', The Australian reported the minister's 'fundamental belief' in legislating to curtail union power. Citing Margaret Thatcher as her inspiration, Minister Cash explained that the ABCC was just the first step in a far more ambitious program of industrial relations reform. This would ultimately include the abolition of Sunday penalty rates and reform of enterprise bargaining agreements, she told The Australian. The minister's rhetoric in explaining the government's plans could have been taken straight from the Work Choices era. We need greater 'flexibility' to 'remain globally competitive', the Minister told The Australian.

'Flexibility', of course, is code for deregulation. What the minister flagged here is the government's intention to make it easier for businesses to sack their staff or pay them less or make them work longer or less convenient hours. Like many in the Liberal Party, the Prime Minister and his employment minister are wedded to an ideology that prescribes giving free rein to big business, lowering taxes for the wealthy, stripping back government services and, wherever possible, making people pay for them. Deregulation of the labour market is a core aim of those who share this view of the world. The experience of recent decades shows that, while this approach has been good for the top end of town, for many Australians it has been devastating. It has transformed what was once a land of opportunity into a society divided between the haves and the have-nots. Since the 1980s, we have watched as the industrial heartlands of our cities have slowly died off, the victim of successive governments too ideologically blinkered to see the obvious benefit of maintaining what once was the engine
room of our economy. As a result, it is becoming increasingly difficult to find a secure, well-paid job, especially for those living outside inner city Sydney or Melbourne. This has not only been detrimental to the living standards of the majority of Australians; it has been damaging to our national character. At its core is an 'every man for himself' ideology that runs counter to our national ethos of egalitarianism and fairness.

The government's attempt to reintroduce the ABCC is not simply a reflection of its desire to see a 'tough cop on the beat' in the construction industry. It is the first salvo in an ideological crusade aimed at stripping Australians of their rights in the workplace. I oppose this attack on the rights of working Australians and I will be voting against the bill, as I could never look the people I worked with in my earlier life in the eye and vote for this.

Senator DAY (South Australia) (17:19): The two big topics of this week are tradies and truckies. I am delighted that the Senate majority wants to save 35,000 family-owned trucking firms—owner-operator truckies—from a body set up to make their lives a misery. The question is: will there be a Senate majority to save the hundreds of thousands of family-owned small business tradies from an environment that, too, makes their lives a misery? If it is good enough for truckies, why isn’t it good enough for tradies?

I note some of my crossbench colleagues have called for the Australian Building and Construction Commissioned to be expanded into a national independent commission against corruption. I commend their commitment to corruption reform; however, these small-business tradespeople cannot wait the length of time it would take to rewrite the ABCC into a broader anti-corruption watchdog, even if the government agreed to that, which I believe it would not.

The proposed ABCC legislation relates to unlawful industrial action and unlawful picketing. This proposed legislation is, first and foremost, about unlawful industrial actions. I have said before that this is something like a STAR force in the police for special and aggressive criminality and unlawfulness. Television advertisements comparing ice dealers to construction workers are ridiculous. Rights to silence and protections against self-incrimination have been in decline all over the country, as the Institute of Public Affairs has pointed out. The advertisements demonstrate the desperation and misinformation of opponents of this legislation. I am more than happy to consider broader anti-corruption measures and support Senator Wang’s select committee inquiry proposal. Sector-by-sector reform, including better resourcing of existing watchdogs, has to be an option, but not by holding construction workers hostage.

I have consistently supported the ABCC, well before a double dissolution was discussed. My fellow crossbenchers, Senators Leyonhjelm, Muir and Xenophon, have tabled amendments, well worth consideration in the committee stage. I heard Senator Muir’s contribution earlier and commend his effort and his knowledge of this important debate, and I look forward to debate on his amendments.

I conclude by saying: as I have consistently said, I support the bill and its second reading and urge my colleagues to at least support that second reading—to consider these amendments and further debate.

(Quorum formed)

Senator ABETZ (Tasmania) (17:25): The legislation before the Senate, the Building and Construction Industry (Improving Productivity) Bill 2013 [No. 2] and Building and
Construction Industry (Consequential and Transitional Provisions) Bill 2013 [No. 2], is vital if we are to stamp out corruption in the construction sector. I have heard some arguments advanced during this debate, and I simply say to those honourable senators: think about the Keep Australia Beautiful campaign. Just imagine if people were to say, 'I will not participate in Keep Australia Beautiful because we are not going to pick up every piece of litter in Australia, and therefore, because we do not pick up every piece of litter in Australia, it is not an exercise worthy of my involvement.' It is the same with corruption—if you want corruption overall to be dealt with, I can understand that, but this is one step in the right direction, and to say that you will not help stamp out corruption in the construction sector because you want it stamped out everywhere is not an argument at all.

Senator WANG (Western Australia) (17:26): Here we have a bill, the Building and Construction Industry (Improving Productivity) Bill 2013 [No. 2], attempting to crack down on lawless and defiant actions by participants in the building and construction industry which, anecdotal evidence suggests, exist and are detrimentally affecting the productivity of the sector in Australia to some unknown extent. I am extremely disheartened by the government's inflexibility to support the critical and reasonable proposals by members of this chamber to balance their own legislation.

The circumstances around us being here today indicate to me that the government is banking on a 2 July election and has been for some time, which further adds to my disappointment, given that an early election will undoubtedly cut short the important work of the proper inquiry which was set up by Senator Madigan and me to review the need for a national integrity commission. However, those are the circumstances I find myself in. I am asked to support unbalanced legislation, and to agree to a process that quashes a critical inquiry that everyday Australians outside Capital Hill want answered.

Let me be clear: everyday Australians are not overly concerned about the ABCC legislation. Instead, they are greatly concerned about the need for a national anticorruption watchdog to cover politicians and political donations, the institutional behaviour of banks and financial institutions, the conduct of sporting organisations, and so on. Whether I am in this place or not, this is something that the next government of the day will have to take action on.

Back to the bill at hand: I refer to Machiavelli, who once said: 'It must be remembered that there is nothing more difficult to plan, more doubtful of success nor more dangerous to manage than a new system, for the initiator has the enmity of all who would profit by the preservation of the old institution and merely lukewarm defenders in those who gain by the new one.' The government's proposed new system, as contained in this bill before us, is unbalanced because of the government's inability to work towards the middle ground. The commission will surely face failure before success.

In case we do not get to the committee stage on this bill, I would like to put on the record the extent of my work to try and make this bill fairer, balanced, more reasonable and proportionate, to address the issue facing the building and construction industry, that I think addresses some of the oversights in the ABCC bill. I am seeking to repeal section 20(4) in chapter 2, part 2, dealing with the annual report to be tabled by the commissioner. In repealing this section, I am removing the ability of the minister to direct the commissioner to not cover health and safety matters that do not comply with the building code. Given a decline in workplace safety is levelled as one of the arguments against the commission's re-
establishment, it is only fair that all health and safety non-compliance be comprehensively dealt with. This morning, I was informed by the minister's office that the government is prepared to accept this particular amendment. I thank the minister's office for their response.

Secondly, the Productivity Commission's report into workplace relations in 2015 found that sham contracting and wages exploitation, particularly of illegal workers, is prevalent in all sectors, including the construction industry. Both major parties appear to be planning to cover these areas as part of policies for their election campaigns, which I expect to be called in the very near future. While I acknowledge that the number and complexity of the PC's recommendations are likely to require some time to consider and address appropriately, my current amendments simply require the ABCC to report instances of suspected wage exploitation cases and sham contracting to the Fair Work Ombudsman for investigation, noting that the Fair Work Ombudsman is currently responsible for investigating and resolving these disputes across all sectors, and then include the details on all of the references in the commissioner's annual report. This is an interim measure. I call on the government of the day, whichever party that may be after the election, to put pen to paper and give effect to the PC's recommendations and also to provide the Fair Work Ombudsman with adequate resources to effectively police these areas of employee exploitation.

Thirdly, I commend my crossbench colleague Senator Muir for his amendment seeking to maintain the status quo in relation to the use of examination notices. Currently the director of Fair Work Building and Construction must apply to the president of the Administrative Appeals Tribunal before issuing an examination notice to a building industry participant. I believe in the importance of check-and-balance requirements, particularly where the commission's power to exercise its coercive powers is concerned. Needless to say, I will be supporting his amendment if we get to the committee stage. This is not a cumbersome requirement on the ABCC or the AAT, particularly if you consider that only 14 notices were issued in the previous year, according to the FWBC's annual report, which is up from a total of four in the year before that.

I would also like to pre-empt the government's argument against a check-and-balance process, given other Commonwealth agencies are not required to adhere to a check-and-balance process before exercising their powers. If the government is referring to agencies like Centrelink, Medicare, ASIC, ATO and the ACCC, I think it is fair to say that these particular agencies have access to a large amount of reliable data, which suggests that the agency is relying on appropriate information before using its unchecked coercive powers. In fact, as recently as last year, the ATO and the Department of Social Services began sharing information. Further to this amendment on examination notices, my amendment requires the Commonwealth Ombudsman, who has broad oversight over these powers under this chapter, to prepare a report to be tabled in parliament quarterly as opposed to annually. It is critically important that these powers are exercised in a transparent and accountable manner.

In relation to the variation or withdrawal of enforceable undertakings, which can be entered into between inspectors of the commission and building industry participants, I am seeking a minor amendment that simply requires the commissioner to not unreasonably refuse consent to vary or withdraw an undertaking.

My next amendment is to require the minister to issue a ministerial direction that establishes the factors that must be taken into account by a commissioner before they publish
the names of individuals, companies or organisations for non-compliance with the Building Code. When the potential harm of public exposure puts at risk those whose conduct may not warrant such disclosure, a direction is not necessary. Conversely, when a building participant's non-compliance actions are so poor that the public ought to be aware of their conduct, the direction will be necessary. A direction should rightly take into account the gravity and significance of the non-compliance, the cost to the taxpayer and the potential harm of such publication.

Finally, I propose to add on the record that some clarity around what behaviour or conduct would meet the elusive standard of 'good faith' would be of assistance to those who allege damage or loss suffered as a consequence of the commissioner's conduct. To that end, the following should be indicative of what good faith requires in this context: honest conduct between the parties, evidenced by clear communication and full and frank disclosure, where the circumstances allow for it, and a reasonably observed lack of malicious or fraudulent intent in dealings; the provision of information that is not misleading or deceptive, including an obligation that the commissioner advise persons subject to examination notices that they are entitled to seek their own legal representation; initiating enquiries promptly and providing responses promptly; and giving due consideration to offers from each party to mitigate or remedy non-compliance, which is particularly relevant to enforceable undertakings. It is quite a shame that these amendments may not even be considered by the Senate today. Once again the crossbenchers have found themselves locked into an ideological battle between the Liberal Party and the Labor Party. Sometimes the crossbench gets the blame, one way or the other. That is the nature of being a crossbencher, even though everyone I know on the crossbench is trying to do their best job.

\textbf{Senator LUDLAM} (Western Australia—Co-Deputy Leader of the Australian Greens) (17:36): What is it exactly that we are doing here? A prorogation and a recall of the Senate. This is the first time that the Governor-General's office has ever been used in this way—to drag the parliament back to give the government the opportunity to call a snap election because a few weeks ago national opinion polling was showing that up as a tremendously bright idea. So, here we are! The Abbott government should stand condemned today for what is being done. Three Abbott-era industrial relations bills are really just the proximate trigger for this cheap and counterproductive assault on the trade union movement.

Productivity is actually up since the ABCC was abolished in May 2012, and yet the government has had the nerve to put the word 'productivity' in the title of the bill. The Productivity Commission—some people who know a little bit about productivity, you would have thought—said the following in their report in 2014:

Productivity growth in the Australian construction sector—

That is who we are spending all day vilifying and attacking, rhetorically—has ebbed and flowed over the last 30 years. There was a significant increase in labour and multifactor productivity from 1994-95 to 2012-13 ... However, most of the improvement was concentrated in relatively short bursts spanning just a few years, including most recently in 2011-12.

It has 'ebbed and flowed'. There is no statistical evidence whatsoever that introducing the ABCC, for the short, unhappy period that it was on the statute books, had any impact on productivity at all. Productivity has gone up in the construction sector since the ABCC was abolished.
The statistics on industrial action sector by sector have, admittedly, I think, only been kept since around 2008. It is a shorter dataset. But the ABS data on industrial disputes that they published in September 2015 showed that the average annual level of days lost per thousand employees in the construction industry increased significantly from 2008 to 2012—and what do you know? That was the period that the ABCC was in force—but then fell back to near previous levels in 2013 and 2014 after the ABCC had been abolished.

We can come in here and talk all we like about productivity, or about industrial action and the effect that that has on the economy. But surely this should be first and foremost about safety—about people who are able to come onto unsafe worksites, stop the clock and get people off the job if lives are at risk. Two of the most dangerous workplaces in this country are on construction sites and behind the wheel of heavy freight vehicles, so there is a certain dark irony that both cohorts of workers are in the crosshairs this week. The bills that we have been pulled from all corners of the country to suddenly debate in this emergency sitting are both designed to target the very people and institutions whose principal role has been to uphold, and in some instances try and enforce, the culture of workplace safety and, in particular, the importance of preventing accidents and workplace deaths before they occur. The culture of prevention, whether it be on a building site or on a national freight route, is surely what this should be about.

What is the motivation that is driving the government to target these working people this week of all weeks? We know why it is happening. The Prime Minister gets his election trigger. That is the first thing. He and Senator Cash get to fill our television screens with numbingly repetitive talking points on how much they hate you for organising for the collective benefit of your workplace colleagues. This is 19th-century class warfare dressed up as a 21st century productivity agenda. To be fair, it is probably the only issue that could possibly have united the dangerously divided factions of the Liberal and National parties, who are quietly tearing each other to pieces behind the scenes—actually, some of it is not quiet—in what looks, to an outsider anyway, to be a somewhat grotesque battle for the soul of the party between the centre-right neoliberals and the insurgent ‘delcons’, the adorably-named ‘delusional conservatives’. The safest place for you all to resolve this dispute is really from opposition, quite frankly. What better way, though, to distract attention away from the internal bloodletting than with a full-throated attack on the trade union movement? So, here we all are.

If this was just a symbolic or rhetorical attack, it would be bad enough—we are all used to it, but that would be bad enough. But the legislation that is before us, which, it is my fervent hope, the Senate is going to dispose of again within a few short hours, would reintroduce some of the most coercive and outright dystopian laws that have ever sat on the Australian statute books.

These laws propose, in some instances, to reverse the onus of proof around industrial action, to remove the right to silence, and to allow officials of the ABCC, this industrial secret police force, to enter premises without a warrant and to demand to know names and addresses. They provide the powers to compel people who have evidence relating to an investigation to answer questions on pain of a jail term, to provide information and to disclose or provide documents—and, if you fail to comply, you could be prosecuted by the Commonwealth DPP and go to jail for six months.
These laws also prevent people from revealing that any of these processes are even under way—prevent you from disclosing that you have been forced to give testimony to the commission, while overriding your right to silence. So much for the 'liberal' party! What happened to the Liberal Party's centuries-old tradition of protecting the individual against the overwhelming power of the state and its police and security apparatus? What a disgrace you are! ASIO do not have the ability to exercise some of these powers in pursuit of violent extremists threatening mass casualty attacks. What the hell is the government up to singling out these individual cohorts of workers?

When the ABCC was in force, before it was partially abolished in May 2012—and I say 'partially', because, obviously, the Greens would have gone further; you can go back and check the record for the amendments that were defeated—it was one of the agencies that, at the time, was empowered to scrape the phone and internet records of working people, which meant that, without a judicial warrant, they could map the physical location of individuals every time they used their phones. They could draw these very fine-grained maps of their social network: who was talking to who on a building site? Who was talking to a journalist? Who was talking to their family? Where were they at the time that those calls were made or those text messages were sent? If this bill fails this week, we will have to take it as a working hypothesis that a reconstituted ABCC would have joined the growing queue at Senator Brandis's door again seeking warrantless metadata access for people whose only crime was their choice of occupation on a building site.

Here is what the Law Council said about these reprehensible bills:

A number of features of the Bill are contrary to rule of law principles and traditional common law rights and privileges such as those relating to the burden of proof, the privilege against self-incrimination, the right to silence, freedom from retrospective laws and the delegation of law making power to the executive. It is also unclear as to whether aspects of the Bill which infringe upon rights and freedoms are a necessary and proportionate response to allegations of corruption and illegal activity within the building and construction industry.

These are the sorts of freedoms—century-old legal protections—that our Attorney-General, as the first law officer in this country, is empowered and entitled to protect. Instead, he is strong-arming the Senate into dissolving those rights, abolishing those rights, for a very narrow and specific class of Australian worker. You are a disgrace! What is actually going on here? A number of senators have already spoken of the context that of all the various things the government had sought to bring the Senate back for, of all the different kinds of corruption of the various issues that are facing us—and poor Treasurer Scott Morrison's desperate search for the revenue he is going to need if he is to have any hope at all of balancing the books in a week or two—why don't the government go elsewhere rather than simply targeting their political opponents?

There are 11½ million documents—a few hundred of which have been released—from the world's largest offshore law firm, Mossack Fonseca. Twelve national leaders have been identified. There are 143 politicians—and their families and close associates from around the world—who are known to have been using offshore tax havens. They act through these intermediaries—most of them based in places such as Switzerland, Hong Kong or Panama—for more than 300,000 companies registered in tax havens. What do they do? They help foreigners set up Panamanian shell companies to halt financial assets while securing the identities of the owners. That is what they do. And individuals and companies with
uncomfortable amounts of cash at their disposal frequently seek assistance to create these shell companies—which is very helpful if you want to obscure the identities of those in charge of the company—or they just shift the money offshore into a more permissive tax regime. Well, why not do both? Mossack Fonseca is very, very good at both—or they were. Tax havens are essentially a global network of secrecy jurisdictions where the world's wealthiest people exploit the system to avoid paying tax. Why don't we have a royal commission into that? Why don't we have a bill on that from the government, this week of all weeks? That is a Senate recall I could get behind. That is a Governor-General's speech that I could get behind. That would have a bit of weight behind it, wouldn't it?

The Tax Justice Network believes there is somewhere between $21 trillion and $31 trillion of individual private financial wealth offshore parked through tax havens. The Tax Justice Network points out that they could account for as much as 50 per cent, or half, of all world trade—half of all world trade is squirreled away through intermediaries with the help of companies such as Mossack Fonseca! The scandal is not that this is illegal; the scandal is that it is entirely permitted by law; it is perfectly legal. Where the hell is the royal commission into that?

There are two other significant things to note about the Panama papers. Firstly, only a tiny fraction of the source documents have been released into the public domain—a practically homeopathic quantity of this document drop has been enough to tip the financial world on its axis. At some point, the entire cache is likely to go live—and then we really will see who is who! Secondly, the Panama papers wiped another deep corruption scandal off the front page. You would probably be aware—or maybe senators had already forgotten—that, after a six-month investigation across two continents, Fairfax Media and The Huffington Post revealed that billions of dollars worth of government contracts were awarded as a result of bribes paid on behalf of firms including the British icon Rolls-Royce; the US giant Halliburton, who are very active here in Australia; and, allegedly, the offshore arm of Australia's Leighton Holdings. Their names are all over these documents.

Unaoil carved up portions of the Middle East oil industry for the benefit of Western companies between 2002 and 2012. The year 2002 is a highly significant date. It is the year the Howard government participated in the illegal invasion and occupation of a country that posed no military threat to Australia whatsoever. These documents show that the offshore arm of Leighton Holdings was involved in serious calculated corruption. Leaked emails show that the company was paying millions of dollars in bribes to Iraq's deputy prime minister and oil minister to win more than $2 billion in oilfield and pipeline contracts—an excellent return on investment. Thoroughly corrupt. Where is the royal commission into that? No sign of a tough cop on the beat.

With some cheerfulness, I note that we finally got the Labor Party over the line on the necessity for a royal commission into the banking and finance sector. And that is due to strong work over a number of years by Senator Milne, Senator Whish-Wilson, Senator Dastyari, Senator Xenophon and Senator Williams—actual cross-party collaboration on an issue of tremendous national significance. The call for a royal commission into the banks is now picking up a bit of speed. But there is no sign of a pulse from the government—no royal commission into the banks.
An election fundraiser sponsored by a bank, on the other hand, is an entirely separate matter. That is where some of our coalition colleagues will be heading after this session of parliament gets up—to an election fundraiser sponsored by the NAB. Well done! Some days, you folks make it very, very obvious how you roll. I want to know whether the Liberals who will file in here this week to lecture the Labor movement about corruption might want to spell out a little more about your former Liberal Party state director who siphoned off in the order of $1½ million in party funds through inflated printing and logistics invoices over a period of more than four years—or about the roll call of senior ministers, from a premier downwards, who were brought crashing back to earth by the New South Wales ICAC. Do not come in here lecturing the Labor movement about corruption. Take a bit of a look at yourselves.

The only good thing that can come from this debate—apart from the fact that it appears likely the bill will be defeated—is that the profile of, and necessity for, a national ICAC is back on the agenda. I thank for their support our crossbench colleagues who have come on board and those who have been working on that issue for a number of years. It is one of those ideas where the time has obviously come. Clearly the politics are not right yet, but at least it is back in the picture. The only place that the Liberal Party seems to be interested in looking around for corruption is in the backyard of their political opponents. I know that they are just playing to their base, and maybe it will quiet some of the more carnivorous instincts of those on their backbench, but successive polls are showing that the Australian public are not buying it at all.

The genius move of calling the Senate back is not looking quite so clever now that successive opinion polls are showing that you might lose government or be faced with a hung parliament. What an interesting few years that was—when the House of Representatives was returned to a debating chamber rather than a place of dismal theatre. We were of the view that Prime Minister Turnbull meant what he said when he said that he would be going full term and that the election would be sometime in late August or early September. We still think that that is the case, so that you can tell us whether or not there is actually going to be a coherent tax policy in this country and so that you can tell us beyond slogans, buzzwords and jargon what your actual plan for the diversification of the Australian economy is as the market for our bulk export of low-value commodities collapses day by day.

You could tell us, if you decided to go full term, what your plan is for the climate and about the fact that the industries that you have been pumping public funds into for decades have cooked the Great Barrier Reef. If you went full term, you could tell us whether or not you are even faintly interested in housing affordability and whether there is going to be any plan for the 26,000 homeless children who have nowhere to go tonight—26,000 people under 18 without a home. Sometime between now and September you could have spelt out your plan for that. But if you are serious about an early election after the shambles of the last 2½ years, then go ahead and pull that double dissolution trigger and we will see you on election day.

Senator XENOPHON (South Australia) (17:54): I know I am getting text messages from journalists to hurry up because they want a vote before the seven o'clock news, but I may not be able to oblige given that Senator Lazarus and Minister Cash will need to speak. When the ABCC bill was before the Senate last August, I supported the second reading of the bill but reserved my position on the third reading. I will again support the second reading stage of this
bill, which I emphasise allows for amendments to be considered in the committee stage. But it seems almost inconceivable that the government will deal with the issues that I believe are important in order to make this bill fairer and to make it more effective in terms of job creation in this country and in terms of the critical issue of occupational health and safety. It is fundamental to the function of the parliament that we fully debate this important and—it must be said in this case—controversial legislation.

When the Prime Minister announced his decision to bring this bill back before the Senate by the extraordinary mechanism of proroguing the parliament and his intention, if it is not passed, to proceed to a double dissolution election, the Prime Minister argued that the construction industry is a vital part of Australia's economy. It is, indeed, a sector that employs more than a million Australians and represents about eight per cent of the nation's GDP. The government argues that the additional costs of construction in this country, due to the frequency of industrial disputes and standover tactics by some militant union members, are a serious handbrake on economic growth. Moreover, as the Attorney-General pointed out on ABC Radio this morning, on the AM program with Michael Brissenden, there have been not one but two royal commissions into this industry—the Cole royal commission and the more recent Heydon royal commission. Both reached very similar conclusions.

The more recent inquiry, that of former High Court justice Dyson Heydon, gathered a great deal of evidence—some of which I found quite compelling—about corruption, bullying and harassment. In his interim report, Commissioner Heydon found that CFMEU members had acted in 'wilful defiance of the law', and there were allegations of corruption, death threats, extortion, gross neglect and other 'serious criminal matters'. In his final report, released last December, the royal commissioner affirmed his finding that corruption was widespread and deep seated. The union officials allegedly involved 'ranged in seniority from the most junior levels to the most senior', although I hasten to add that Michael O'Connor, the National Secretary of the CFMEU, has not been tainted by any of those allegations.

Commissioner Heydon recommended a new national regulator, with the same powers as ASIC, be established. I would also note, as Senator Muir did earlier in this debate, the huge number of court cases in which the CFMEU has been found to have broken the law, or have admitted they have broken the law, and the more than $6 million in penalties that have been issued against that union. The Labor opposition has tried hard to label the Heydon royal commission as a political witch-hunt, but its findings, the large body of evidence presented and the evidence in numerous court proceedings cannot be lightly dismissed. They certainly raise the question of whether our existing legislative framework is strong enough to properly address these issues. The government clearly campaigned on the issue of the ABCC in the lead-up to the 2013 election. They have a mandate to bring this legislation on and to argue its case, and the Senate equally has a mandate, as a house of review, to scrutinise it and to vote accordingly.

There are, without doubt, big problems on our nation's construction sites. I certainly want a strong and vibrant building and construction industry in this nation. Building and construction can provide an antidote to some of the job losses we are experiencing in manufacturing and the many more job losses that we are expecting. I believe we do need an Australian building and construction commission, but I am not convinced that this legislation, in its current form, will deliver the productivity gains the government seems so sure it will. Nor am I convinced...
that this bill contains the appropriate checks and balances in so far as coercive powers are concerned and with regard to issues of workplace safety. A major preoccupation for me is what happens on the ground in the many thousands of construction workplaces around the country. I want to see intimidation, standover tactics and corruption dealt with effectively. I also want to see that the workers in that industry go to a safe working environment where occupational health and safety are of paramount consideration, so that they can go back to their loved ones each night. I also want them to be well paid for the work that they do. If there are impediments, then they need to be dealt with in a way where people's rights are respected.

Unlike some members of the government, I do think unions have a vital role in Australia's workplace relations system and they must have the freedom and power to be able to do their jobs. That involves not just issues about terms and conditions for their employees but also issues of workplace safety. These have long been of concern to me. In my home state of South Australia, as a state member of the legislative council, I supported the establishment of VOID, Voice of Industrial Death, a support and lobby group that places focus on the issues of workplace deaths in South Australia and the need to improve industrial health and safety. As a member of the South Australian parliament, I proposed industrial manslaughter laws with strong penalties. Regrettably, that proposed legislation was opposed by the then state Labor government. So I come to this legislation with some long held concerns about workplace safety.

No-one should forget that workplace accidents and fatalities are not just statistics. Every workplace death is a human tragedy: a parent, spouse, son or daughter lost. It is a very sombre thing to deal with and hear stories of the spouses, parents and families of workers who have been killed in workplace accidents. I would like to pay tribute to the foundation president of VOID, Andrew Madeley, who lost his son, Daniel, in a horrific workplace accident in 2004 and who has been tireless in campaigning for industrial manslaughter laws and better workplace safety.

Insofar as unions have a right of entry for the purpose of safety issues, that is quite fundamental and ought not to be diminished. It seems inconceivable that under the Fair Work Act the provisions that allow for unions to enter a workplace, if there is an imminent risk of danger to a worker, have been diminished in the ABCC legislation. That is not acceptable. I have already filed and tabled an amendment, in that regard, should this bill go to committee, which now seems most unlikely. I do not subscribe to the view that unions are uniformly bad or have too much power. Equally, they should not cause unnecessary and needless disruption, and they should be subject to greater scrutiny in that regard. Nor should anyone imagine that unions are the only problem in the construction sector.

I would be very interested to hear, in the context of this debate, the government's response to the report of the Senate Standing Committee on Economics, on insolvency in the construction industry, and I want to pay tribute to the very fine work that Senator Cameron did on this. That Senate inquiry, which I was a part of, was completed last December. The committee's report very clearly exposes the 'completely unacceptable culture of non-payment of subcontractors for work completed on construction projects'. During that inquiry, a big issue in my home state of South Australia was that we heard damning evidence concerning the failed South Australian building firm Tagara Builders that allegedly traded while insolvent for more than two years before it went bust in June 2015.
At the time of its liquidation Tagara had major construction projects worth up to $100 million on its books. The collapse put more than 40 people out of work and more than 750 creditors, mostly SA businesses, involving hundreds more workers, subbies, were left with bad debts totalling some $21.5 million. Evidence to the Senate inquiry included claims that Tagara had bullied subcontractors by delaying payments and claiming poor workmanship so they would not pay. South Australia's Small Business Commissioner, John Chapman, told the inquiry that subcontractor bullying was widespread, and he indicated he was concerned whether a new intimidation offence should be created for the industry.

This is but one example of what a well-known South Australian construction consultant described as 'unconscionable acts', including a sharp increase in the occurrence of fabricated claims by builders in order not to pay subcontractors. That was part of a much larger and disturbing picture. The Senate inquiry found that businesses operating in the Australian building and construction industry face an unacceptably higher risk than any other industry of entering into insolvency themselves or becoming the victims of insolvency further up the contracting chain. The construction industry's rate of insolvencies is out of proportion to its share of national output.

As the government has repeatedly pointed out, the construction industry accounts for some eight per cent of the nation's GDP. Yet the industry also accounts for between one-fifth and one-quarter of all insolvencies in Australia. The Senate inquiry found that this state of affairs does not reflect market forces and there needs to be reform. As a result, the industry is burdened, every year, by nearly $3 billion of unpaid debts, including subcontractor payments, employee entitlements and tax debts averaging around $630 million a year for the past three years.

The committee made reference to the powerful forces at play, of serious imbalances of power in contractual relationships—harsh, oppressive and unconscionable commercial conduct. These are matters we also need to deal with. The Senate economics committee called for a complete sea change in the federal government's role in regulating payment practices in the construction industry. The committee recommended that the Commonwealth urgently enact uniform, national legislation for a security-of-payment regime and rapid adjudication process in the commercial construction industry.

The committee's second, related major recommendation was that the Commonwealth commence a two-year trial of project bank accounts on construction projects where the Commonwealth's funding contribution exceeds $10 million. That committee's report cannot be ignored in the context of productivity of the construction sector, of the bullying and intimidation that occurs of subcontractors, of subbies, and their workers who miss out all too often. It is pushing people into insolvency.

Insolvency and poor payment practices in the construction industry are not new, but one might reasonably imagine that these problems deserve at least equal priority with those arising from union intimidation and malfeasance. As Senator Muir observed earlier, if the government were really serious about improving productivity in the building and construction sector, it would see the merits of the ABCC being a full service regulator, properly resourced to also investigate employers who underpay workers as well as investigate unconscionable subcontracting practices. I agreed with Senator Muir on that.
More broadly, I also have concerns about limiting the power of a body such as the ABCC solely to the building and construction industry. I must say that the government's approach is distinctly lopsided. Allegations of union corruption and malpractice are hardly limited to the building and construction industry. One only need look at the recent history of the Health Services Union, where predatory officials rorted expenses and abused the trust placed in them by their own members. We also need to give much greater attention to corruption and malpractice in the corporate world.

I have long campaigned for stronger regulation and investigatory powers to deal with misbehaviour in business, for whistleblower protection powers of the government, corporate and union sectors, where whistleblowers are not only protected but also are compensated, as they are in the United States. This is so that there is a culture of openness, a culture where people can come forward and speak the truth without their lives being ruined, financially, as a result.

Regrettably, this has not been a high priority for the government. In recent weeks, we have seen some huge revelations in the press about foreign bribery involving the oil industry consultancy Unaoil, together with the Australian firm Leightons. We have also learned about the pervasive use of foreign tax havens facilitated by the Panamanian law firm Mossack Fonseca, with hundreds of Australian businesses and individuals allegedly involved.

If anyone still thinks that Australia is immune from large-scale corruption they are remarkably naive. Yet there has been barely any reaction from the government to the latest revelations. What happens at the big end of town does not seem to be a priority. I have long supported the establishment of a national anticorruption commission. It is quite fanciful to think that our national level of government and politics is somehow insulated from the sorts of corrupt influences that we have seen in state and local governments. The fact that there has long been so much political and bureaucratic resistance to the establishment of a federal anticorruption body only reinforces my concern that such an institution is sorely needed.

I know that the Prime Minister has been dismissive of the idea of a national ICAC that might be linked to a debate about the ABCC legislation. Good on Senator Lazarus for raising this as an important issue. These might be separate matters, but a very clear public commitment from the Prime Minister and the government to the establishment of a national independent anticorruption commission could go a way to reassure me and, I think, some other members of the Senate crossbench, as well as voters, that they are not just targeting unions but are in fact committed to combatting corruption wherever it might be found and whatever its political connections may be.

If one listens to some of the government's statements, one could be forgiven for thinking that the sky is about to fall in on the construction industry unless immediate action is taken. As I have said, I think there are serious problems. The royal commission's findings cannot be ignored. Yet, in terms of urgency, a key element of the package—the coercive powers to compel witnesses to give evidence—is still in force in transitional legislation for another 14 months—something that the opposition leader and former industrial relations minister, Mr Shorten, supported when in government.

Moreover, if the government is fair dinkum about addressing productivity in this country, it must do much more than re-establish a body whose main purpose is to pull wayward building and construction industry participants into line. The government has taken a blinkered vision
and highly selective choice of the issues it wishes to pursue, as is evident when it comes to other vital sectors of the economy. If we are arguing about jobs, we should look at the collapse of manufacturing jobs in this country—140,000 jobs lost since the GFC, and 200,000 jobs that are potentially at risk, particularly in Victoria and South Australia, with the closure of carmaking in this country. Our shipbuilding industry is suffering because ships are being built offshore, in terms of our naval supply ships. In Australia's manufacturing sector we have an absolute crisis in our steel industry. Arrium, Australia's largest structural steel maker, a $5.5 billion company, went into voluntary administration just a few days ago. Considering what is at stake, that is a critical issue. What is at stake here is not just the future of Whyalla and Arrium, but the future of Australian manufacturing itself, which in a decade has shrunk from 12 per cent of GDP to just under seven per cent. I met with the administrator of Arrium, Mark Mentha, in Adelaide last week. He gets it, and I wish him well. I want to work with him, as do the state and federal governments, to make sure that we can get that company out of administration to continue to work well.

We are seeing Ford, Toyota and Holden set to disappear as car makers in this country by the end of next year—Ford sooner than that. But one does not get any sense that the government has a strategic plan for manufacturing or for the areas most affected by the crisis in manufacturing. We see a lot of hand wringing but not much else from the industry minister, even though his own state, South Australia, is most severely affected. While the Prime Minister talks a lot about Australia's future as an innovative nation—which I welcome—he has very little to say to the workers in Elizabeth, Whyalla, Port Kembla and around the country—particularly in Victoria, as well, and many other places—who have mortgages to pay and families to support and who face enormous challenges if manufacturing dies in this country.

That is why, if this bill went into the committee stage, I would have been moving amendments in relation to the building code having real rules with teeth in terms of procurement to ensure that we have Australian steel and Australian-made products in building contracts as part of the building code. Given the potential economic and social costs of the crisis in manufacturing, the reluctance of the government to adopt a procurement policy that takes into account the economic effects of buying local is an issue that ought to have been in this bill.

It may be that be that the government will not be unhappy if the Senate votes down this legislation. The government says that there is a narrative that is all about jobs. I am certainly very happy to see the election campaign focus on jobs. Indeed, that is where the focus should be. In this the Prime Minister will need to talk about a lot more than the ABCC. He will need more than a number of speeches going on about union corruption and malfeasance, important issues though they are. The government needs to show Australia that it has a plan for Australian manufacturing jobs, a strategic plan to help the cities and towns that depend on manufacturing and to protect the hundreds of thousands of manufacturing workers whose jobs are on the line.

I will support the second reading stages of this bill. In the event that it goes into a committee stage, I have a number of amendments to move, which are all about protecting the jobs of Australian workers.
Senator LAZARUS (Queensland—Leader of the Glenn Lazarus Team) (18:12): I rise to speak on the Building and Construction Industry (Improving Productivity) Bill 2013 [No. 2]. I will be brief in my speech tonight. I think everybody knows my position in relation to the ABCC. I certainly will not be supporting it in its current form. The bill is nothing more than a political football being used by the coalition to attack the unions and the Labor Party in order to gain political advantage. It is a sad day when the legislation we deal with this in this establishment is only considered because it delivers a political benefit to one party or another.

This parliament was created by people many years ago who believed that representatives of the people should deal with bills and initiatives of benefit to the people and the future of this country. I am of the view that many politicians in this parliament do not deserve to be here. They do not deserve to be here because they do not care about anyone else except themselves or their parties. They do not deserve to be here because they see politics as a game, not as a mechanism to pursue a better country. I hope that when I depart this place I am remembered for being a good representative. I do not want to be remembered for being a politician, because I am not one. I am not here to play games; I genuinely want to achieve good outcomes for the people of Queensland.

I have worked my way through the ABCC bill with the help of my advisers, and I do not like the bill. Apart from the fact that it is a political football, the bill does nothing to protect and progress the rights of workers. At the end of the day, I am concerned about one thing and one thing only—protecting and progressing the rights of the workers. If this bill protected and progressed the rights of workers in the workplace I would support it but, sadly, it does not. All it does, in my view, is to reduce the rights of workers. In the process it targets one slice of one industry for the purpose of political gain. Yes, it aims to address misconduct and corruption, but it does this by eroding the rights of workers. It compels them to give evidence and to be interviewed, stripping them of their rights to representation from a lawyer of their choosing. It forces workers to produce documents or information associated with investigations and it reverses the onus of proof by transferring responsibility to workers to prove they are complying with the law. I could go on, as there are many more areas where this bill, in my opinion, infringes on our basic human rights and the basic rights of workers.

In summary, my view is that this could be a very, very good bill. It could be broadened to deal with all misconduct across all industries and all areas of industry. We desperately need a national corruption and misconduct watchdog. This bill, if broadened, would deliver this very outcome.

Big companies go broke every day, leaving contractors, mum-and-dad businesses and workers out of pocket and without pay. These companies simply set up again a few weeks later under different names as phoenix businesses and start all over again. The only people that get hurt are contractors and workers. Businesses are concerned about profits, government are concerned about revenue, unions are concerned about people. This bill does nothing to address the genuine misconduct and corruption across the big end of town and it does nothing to address the murky behaviour of large businesses in this sector. Rather, it targets unions by attacking the rights of workers.

The building sector is a dangerous industry and workers are hurt regularly. When workers are hurt or die, it is not the government that contacts and supports the family; it is not the employer or the business involved; it is not the insurance company. It is the union. Unions do
not get everything right, but they do a lot of good. We need to stop the political attacks, get back to the basics and expand the bill to create a national corruption and misconduct watchdog, and address issues across every industry. All that matters to me is that workers are safe and are able to go to work and come home safe after every day to their families.

These are things that matter to all Australians. It is why I will not be supporting the ABCC in its current form. The threat of a double dissolution will not change my mind, and I will not be blackmailed. Unlike many politicians in this place, I am here to represent the people. That is exactly what I am doing—standing up for hardworking Australians who need help and who need someone to stand up for them.

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (18:16): I rise to conclude the debate on this cognate legislation. In summing up the debate, I wish to thank all senators for their contributions. This legislation is of great importance for promoting jobs and growth by improving productivity in the building and construction industry. For too many years, the building and construction industry has provided the worst examples of old-fashioned industrial relations lawlessness. Projects have been delayed, costs have blown out and investment in our economy and infrastructure has been jeopardised. The measures contained in these bills are vital to boosting Australia's productivity and to ensuring that law and order prevails at our nation's building sites. The construction industry is unique. The argument from some senators that there is no need for an industry-specific regulator is naïve and misguided. So, too, is the argument that what we really need to tackle the unlawfulness in the industry is a national corruption watchdog to deal with crime and corruption across all sectors.

As I said at the beginning of this debate today, the Senate has two choices. The first choice is to bury its head in the sand and deny there is a problem. Those that choose to do this are voting for increased levels of industrial action, reduced levels of productivity, project delays and the continuation of coercion, intimidation and bullying on our nation's construction sites. The second choice is to face the facts and to accept the reality that the current laws are ineffectice and that new laws are needed to restore the rule of law to our nation's building sites. Those who choose to do this are voting for the good of the industry, for those who participate in it and, ultimately, for the entire nation.

We have, therefore, before us a clear choice. The parliament can choose whether it stands for thuggery or for fairness, for the rule of law or for lawlessness. We have a choice between the public interest versus the interests of the most corrupt union in Australia.

I commend the bills to the Senate.

The DEPUTY PRESIDENT: The question is that the second reading amendment moved by Senator Rice be agreed to.

Question negatived.

The PRESIDENT: The question now is that the bills be read a second time.

The Senate divided. [18:23]

(The President—Senator Parry)

Ayes .................... 34
Noes .................... 36
Majority ............... 2
AYES

Abetz, E  Back, CJ
Bernardi, C  Birmingham, SJ
Brandis, GH  Bushby, DC
Canavan, MJ  Cash, MC
Colbeck, R  Cormann, M
Day, RJ  Edwards, S
Fawcett, DJ (teller)  Fierravanti-Wells, C
Fifield, MP  Leyonhjelm, DE
Lindgren, JM  Macdonald, ID
McGrath, J  McKenzie, B
Nash, F  Parry, S
Paterson, J  Payne, MA
Reynolds, L  Ruston, A
Ryan, SM  Scullion, NG
Seselja, Z  Sinodinos, A
Smith, D  Wang, Z
Williams, JR  Xenophon, N

NOES

Bilyk, CL  Brown, CL
Cameron, DN  Carr, KJ
Conroy, SM  Dastyari, S
Di Natale, R  Gallacher, AM
Gallagher, KR  Hanson-Young, SC
Ketter, CR  Lambie, J
Lazarus, GP  Lines, S
Ludlam, S  Ludwig, JW
Madigan, JJ  Marshall, GM
McAllister, J  McEwen, A (teller)
McKim, NJ  McLucas, J
Moore, CM  Muir, R
O’Neill, DM  Peris, N
Polley, H  Rhiannon, L
Rice, J  Siewert, R
Simms, RA  Singh, LM
Urquhart, AE  Waters, LJ
Whish-Wilson, PS  Wong, P

Question negatived.

GOVERNOR-GENERAL’S SPEECH

Address-in-Reply

Debate resumed on the motion:

That the following address-in-reply be agreed to:

To His Excellency the Governor-General

MAY IT PLEASE YOUR EXCELLENCY—
We, the Senate of the Commonwealth of Australia in Parliament assembled, desire to express our loyalty to our Most Gracious Sovereign and to thank Your Excellency for the speech which you have been pleased to address to Parliament.

Senator IAN MACDONALD (Queensland) (18:25): Perhaps the first thing I might mention in relation to the address-in-reply—

The DEPUTY PRESIDENT: Senator Macdonald, please resume your seat for a moment.

Senator Wong: Mr Deputy President, it might be that I just have not been informed: I thought we were going to registered organisations now and not back to the address-in-reply.

The DEPUTY PRESIDENT: My understanding is that we have not yet received the message so the only question before us is the question that is now before us.

Senator IAN MACDONALD: I want to pay tribute to the Governor-General, both in his role as Governor-General and in his very distinguished former career. I have to say how embarrassed I was as a member of this Senate to see the way that the Deputy Leader of the Opposition in the Senate dealt with and acted in the presence of the Governor-General. I am pleased to see media reports that the Leader of the Opposition has at last had the courage to discipline the Deputy Leader of the Opposition in this chamber about his inappropriate, almost inexplicable and discourteous activities this morning. I might say that there was another loud member of the Labor Party from Western Australia who was as equally disgusting in their approach to a representative of the Queen of Australia and to someone who is so very much a significant part of the workings of a democracy in this country.

The Governor-General, as we all know—as does the Queen in the United Kingdom—acts on the advice of his ministers. Whether Senator Conroy likes the advice or not that the government gives is one matter, and he is quite entitled in the political process to disagree with, attack and disdain the government and the ministers; but he should not do that on a personal basis to a distinguished Australian who is carrying out his role as the head of the Commonwealth of Australia. I am pleased that for once Mr Shorten, who has not shown a great deal of spine for anything. But he had the spine to reprimand and counsel his deputy leader in the Senate on the atrocious conduct of the Deputy Leader of the Opposition in the Senate in the face of the Governor-General, a distinguished Australian who should not be personally attacked, no matter what

Sitting suspended from 18:30 to 19:30

Senator IAN MACDONALD: Before the break, I was just—would you believe it?—congratulating Mr Shorten, who has never shown a great deal of spine for anything. But he had the spine to reprimand and counsel his deputy leader in the Senate on the atrocious conduct of the Deputy Leader of the Opposition in the Senate in the face of the Governor-General, a distinguished Australian who should not be personally attacked, no matter what
you think about what he says in these formal speeches. Clearly, the Governor-General, under the Westminster system, talks about the advice he is given by his elected ministers. It is appropriate for Senator Conroy, Senator Lines and others to attack the government and to attack government ministers. But to start attacking the Governor-General, not only a person holding the highest position in the land but a man with a very, very distinguished personal record of service to this nation, is unforgivable. I am pleased that Mr Shorten was able to discipline his deputy leader in the Senate.

The Deputy Leader of the Opposition in the Senate has form, particularly when it comes to men in uniform. I remember well when I was chairing a Senate estimates committee and the Deputy Leader of the Opposition in the Senate attacked Lieutenant General Campbell, who was doing his job, as he had been instructed to do by the government. The deputy leader of the opposition made a personal attack on him, for which, as chairman of the committee, I am proud to say I demanded an apology or the Senate committee would adjourned. I am pleased that Mr Shorten has shown a rare backbone in disciplining the deputy leader in relation to that.

The Governor-General's speech, to which we are giving the address-in-reply, dealt with the building and construction industry bills. That has clearly been dealt with by the Senate now, regrettably, to that conclusion, but we will leave it to the people of Australia to see whether they will support political parties and independents who support thuggery and disrespect—not disrespect; absolute breach of the law—or whether they will support a party who believes in industrial fairness and equity and the rule of law. That is now a matter for the people of Australia on 2 July, so I will not spend too much time on it. As I said, it is not a matter for this chamber anymore; it is a matter for the people of Australia. I feel confident that, as in the last election, they will, in the next election, indicate that they do not believe any group of people—in this case, the CFMEU—should be able to get away with the thuggery that we have evidence of. It is not just people telling me or talking about it in a Senate committee but evidence at a royal commission when there was a finding by the royal commissioner, who is a distinguished judge without blemish.

I want to go on to the other matter that the Governor-General mentioned in his address to the joint houses, which is the Road Safety Remuneration Act that is currently in place thanks to the Labor government, the Greens, Senator Xenophon and, in the other place, people like Mr Bob Katter. I do not always agree with Senator Xenophon. I am still waiting for his no-poker-machines campaign to show some results. He was elected on that basis to the South Australian parliament, and I do not notice any fewer poker machines in South Australia. He got to this chamber on the same platform, and I do not notice any fewer poker machines in Australia. But Senator Xenophon had the good grace and decency at the rally this morning to get up amongst those truckies, those independent family organisations, and admit that he had supported the legislation that now puts their businesses in jeopardy. He indicated he was wrong and he sought their forgiveness, as I recall what he said this morning. So, whilst I disagree with Senator Xenophon on many things, I do acknowledge that this morning he admitted that he was wrong in supporting that legislation along with the Greens and the Labor Party. But he sought forgiveness and indicated he was now aware of just what a terrible piece of legislation that was.
Mr Acting Deputy President Williams, I will digress there by just indicating, without embarrassing you, what a significant role you have played in bringing that issue to the forefront. I congratulate you and my Queensland colleague Senator O'Sullivan in bringing forward the first piece of legislation designed to get rid of that tribunal legislation. Senator O'Sullivan was the first to indicate that he had had the Senate office draft a piece of legislation to abolish the tribunal by getting rid of that act. Senator O'Sullivan made his views known, and I am pleased that the government went from delaying it, which the government at the time understood they had a majority for, to moving to abolish it, because, again, the government has been given assurance from the crossbenchers that they will support the government's legislation to do that. So, congratulations to you, Mr Deputy President Williams—I know you have tabled a petition from thousands of people alerting Australia to the inequities of this piece of legislation. As I say, congratulations to you and to my Queensland colleague Senator O'Sullivan. In a backhanded way, I have also complimented Senator Xenophon for understanding the error of his ways some time ago.

That is not the case with Mr Bob Katter, the Independent member for Kennedy up in my area of North Queensland. Mr Katter was holding rallies recently railing against this legislation. Yet, when it went through the House of Representatives he supported it. He may say, 'Have a look at the Hansard—I was not there; I did not vote.' That is right—he rarely votes on anything. But he was paired with the Deputy Leader of the Opposition, now the Deputy Leader of the Liberal Party, Julie Bishop—and the Liberal Party and the National Party, back when the Labor Party and the Greens and Independents brought that legislation forward, were totally opposed to that; they voted against it. Ms Bishop was absent overseas, no doubt, as she often was as the shadow foreign minister and as she is today as the foreign minister. She was totally opposed to it, so she was paired with someone. Who was she paired with? The honourable Mr Bob Katter, the Independent member for Kennedy. That means Mr Katter had indicated to the whips of all parties that he was going to support the legislation, and so he was paired with someone who was totally opposed to it.

Time moves on. Mr Katter was totally in favour of the legislation a couple of weeks ago—he was photographed in the Townsville Bulletin saying, 'We are all against this, we are with family drivers.' Well where was he three years ago when this legislation was passed by the Labor Party, the Greens and the Independents? I understand there is another senator in this chamber who was totally supportive of this bill and the tribunal, and, although he was not in the parliament at the time, I understand he had made public utterances that he was in favour of the tribunal and all it stood for. I might have got this wrong and if I have I hope that the senator corrects me. I am not going to name him but he will know who I am talking about. He was totally in favour of the tribunal and all it stood for, and he was supportive of the TWU. Today I was at a rally and I saw this senator being lauded for his opposition. Like Senator Xenophon, it is good if he has changed his mind. He did not confess to that, as Senator Xenophon did, but it is an interesting insight into how things work when people have one view when they are elected and then change their view. I am pleased that people change their view—I congratulate people who change their view. I congratulate people who will listen to the arguments and work things out and confess that they have got it wrong. That is where I give Senator Xenophon credit. Today in front of that quite significant crowd he asked for forgiveness—he said, 'I am sorry, I thought it was going to be good but I realise that was
wrong.' There are others who just take the limelight, the credit, and I am not sure that I have heard the same sorts of indications from them.

I guess that is the way this game of politics is. There are people elected on a certain platform, they get into this chamber, they change their allegiances and then they start continually voting in a way that is contrary to how they indicated prior to their election that they would vote. As I say, the voters of Australia are no dills. They will work those sorts of things out. You have to have some integrity; you have to have some ability to be honest with the people of Australia. When you are not, when you just move with the popular tide at the time, Australians understand that. That was one reason that I indicated I was totally opposed to the Labor suggestion of a 15 per cent GST. I and all of my colleagues at the time—unfortunately there are not many left—solemnly promised to the people of Australia, when it was suggested we would be putting it in at 10 per cent and quickly increasing it to 15 per cent, that it would not go beyond 10 per cent and that is why I indicated when the Labor Party raised the 15 per cent issue that I, for one, would be voting against it. There needs to be some integrity and again, Mr Deputy President, I do not want to embarrass you in the chair because you do not have a right of response but you yourself have shown that your integrity, your courage and your conviction to the cause that you believe in are paramount. Fortunately in the Liberal and National parties we are able to do that—we are able to cross the party line if we believe in all conscience that our constituents and our electors, and our integrity, require us to do that.

I will conclude by again referring to the Governor-General's opening speech and congratulating him on the way that he delivered the government's agenda—not his personal agenda but the government's agenda. I congratulate him on his integrity and praise the very significant service of that man, who now occupies the position of leader of our country as Governor-General. I congratulate him on the way he has discharged his duties and carried out those duties with humility and courage, as he has during most of his life. I support the address by the Governor-General.

Senator WHISH-WILSON (Tasmania) (19:45): Sorry, Senator Back—through you, Mr Acting Deputy President—I could not help myself after that inspiring speech by Senator Macdonald. I felt I had to jump to my feet and have my chance to respond.

It was interesting being in here today, when our colleagues from the other place, the House of Representatives, came through the door. It reminded me of my first Government-General speech, sitting in this chair. It certainly was a good experience for me. I sat next to the previous Prime Minister Kevin Rudd. All through the Governor-General's opening speech, which, of course, was written by the then Prime Minister, Mr Tony Abbott, Kevin Rudd was muttering under his breath, 'This man has no vision; this man has no vision.' When I sat here this morning, listening to the few words that we heard from the current Governor-General, which, obviously, were written by our current Prime Minister, Malcolm Turnbull, it occurred to me that exactly the same thing was the case.

We are about to go to a double dissolution election. We are about to dissolve both houses of parliament, something that has not been seen in this country for over three decades—a very serious thing to do—on the back of some faulty and flawed proposed legislation. The title of the bill refers to 'improving productivity' in the workplace. This is hardly something to take the country to a double dissolution on, and it is hardly the economic vision of a government...
that is going to lead this country into the 21st century. The economic vision of the previous Prime Minister, Tony Abbott, before he was deposed, was ripping up the carbon price, ripping up the mining tax and stopping the boats. He did not have anything to offer. He did not campaign on anything. Such was the chaos and disarray of the previous Labor government, he got elected by default. After his first budget, he nearly brought on a double dissolution then, because some of us were seriously considering blocking supply, it was that bad. Nevertheless, history shows that, as the current Prime Minister, Malcolm Turnbull, said in his first press conference, Mr Abbott had to go because he had no economic management credentials, or something similar to that.

So here we have our current Prime Minister—he has not delivered a budget, but he has made it clear today by recalling parliament that this piece of proposed legislation is absolutely essential. It is touchstone legislation for his government's economic agenda. What a load of claptrap. The proposed legislation that we debated today for the second time and was defeated by the Senate—and so it should have been—does not reflect what the people of this country want from their government. Tackling multinational tax avoidance; tax reform that leads to a fair and more equitable Australia; revenue-raising measures that get the balance right; an economic vision for a new economy; tackling climate change and creating tens of thousands of new jobs at the same time; being a global leader in areas of climate science and areas of multinational tax avoidance—there is so much this country could do, and yet here we are debating the Australian Building and Construction Commission through a piece of ideological proposed legislation that is straight from the IPA wish list and that most Australians do not think is serious enough to call a double dissolution election on. In fact, I would say most Australians would disagree with the bill if they understood the detail. The government has no vision and no plan for the future.

Senator Smith—through you, Mr Acting Deputy President—would like to move onto something else. Perhaps you do not like being told some home truths, Senator Smith. Yes, I was assisting the chamber by speaking on the address-in-reply, but I was very glad that I got my chance to say that it was quite an experience sitting next to the previous Prime Minister Kevin Rudd, only weeks after having lost the election for Labor. He was absolutely right: this government has had no vision and no plan, and today doubly proved that to me. I am absolutely convinced that this government is likely to go to a double dissolution election because it wants to save its own political skin and this Prime Minister is worried about his own leadership and holding his own party together. The Australian people are smarter than that and, if they get even the slightest sniff that a move to a double dissolution election is to save Malcolm Turnbull's leadership and his own political skin, it will backfire. That is my prophecy. You heard it here first, if it is right.

Debate adjourned.

BILLS

Road Safety Remuneration Repeal Bill 2016

First Reading

Bill received from the House of Representatives.

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (19:51): I move:
That this bill may proceed without formalities and be now read a first time.
Question agreed to.
Bill read a first time.

Senator CASH: by leave—I move:
That:
(a) consideration of this bill be called on immediately and that the time allotted for all remaining stages be until 9.30 pm; and
(b) paragraph (a) of this order shall operate as a limitation of debate under standing order 142.
Question agreed to.

Second Reading

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (19:52): I move:
That this bill be now read a second time.
I seek leave to have the second reading speech incorporated in Hansard.
Leave granted.

The speech read as follows—
The Government is introducing the Road Safety Remuneration Repeal Bill because this Government stands by owner drivers and mum and dad small businesses who just want to earn an honest living.

It has been clear for some time that the Road Safety Remuneration System, established in 2012 by the former Labor Government, has demonstrated no tangible safety outcomes for the road transport industry. Two separate, comprehensive, evidence based reviews have supported this in the strongest of terms.

Even Labor's own regulatory analysis completed at the time the System was introduced acknowledged that there was insufficient evidence to demonstrate a clear link between road safety and remuneration.

There is nothing fair or safe about the Road Safety Remuneration System and that is why the Coalition Government has listened to thousands of owner drivers across the country and put this very urgent bill before the House today.

The refusal of the Road Safety Remuneration Tribunal to listen to reason and delay the commencement of the 2016 Payments Order in the face of widespread confusion and misunderstanding is the last straw. Around 800 submissions were made to the Tribunal. Almost all of these called for a delay to the Payments Order, with many indicating that the Order will negatively impact their business and, in a number of cases, put them out of business altogether.

Even in the face of this evidence, the Tribunal refused to delay the start date of the Payments Order to allow these small businesses time to try to comply.

I note that, notwithstanding the Transport Workers Union's strong opposition to any delay, the TWU is before the Tribunal today, seeking to delay the payments in the Order to 1 January 2017.

What an extraordinary and absurd turn of events - the union for whom the Tribunal was created, who attacked owner drivers for challenging the order and went to the Federal Court only two weeks ago to have a stay of the order lifted, is now before its Tribunal saying 'we've changed our mind, we want you to delay the order'.
Are the tens of thousands owner drivers out there supposed to believe the TWU has finally accepted that the Payments Order is having devastating effects on the industry, or should they believe this is just a stunt - one last desperate attempt by the TWU to save its own Tribunal?

But the introduction of this legislation is not about the TWU. It is much more important than that. This is about the mum and dad owner drivers, who have staked their livelihoods on owning a truck and driving freight across this vast country of ours. This is about those mum and dad operators who contribute to the economy by paying their taxes, and keeping alive other small businesses in the regions in which they work. And this is about those same mum and dad operators who just want to earn a living, so they can continue to sponsor their local sport club, the St John's Ambulance or their children's school, without having their very livelihood threatened to be taken away by this disastrous tribunal created by Labor and the TWU.

The Tribunal's Payments Order handed down on 18 December 2015, together with the Road Transport and Distribution and Long Distance Operations Order 2014, will result in a net cost to the economy of more than two billion dollars over fifteen years.

The way owner-driver trucks are financed means the family home is often at risk if the family business goes under. The Tribunal isn't just putting people out of business; they are also potentially putting them out of a home.

But let me now put a human face to these very real accounts of the impact of the RSRT is having on owner drivers and the trucking industry more broadly.

One owner driver who recently applied to the Tribunal expressed her fear about what the Payments Order will do to her business and her family. In her own words, she told the Tribunal:

'As an Owner-Driver our future is grim. Major transport companies have already begun sending letters to their Owner-Drivers stating that as of April 4, 2016 their services will no longer be required. In trying to protect us, the Order is setting out to destroy us. The impact of this Order upon Owner-Drivers will very likely be that we will no longer be a part of the Road Transport Industry and in turn finish up bankrupt as we have loans on equipment that we will be unable to sustain. My family of four relies solely on the income provided by our truck driven by my husband. Without this we will lose our livelihood and lifestyle after over 20 successful years in the Industry.'

Glen and Pauline Kearney are two other owner drivers facing economic ruin thanks to the RSRT. Glen and his wife Pauline own two trucks, having mortgaged their house to set up business 20 years ago. Pauline and Glen employ their eldest son in the family business and want to employ their youngest son when he is old enough. If you ask Pauline and Glen, they set up their haulage business to provide their sons with an economic future - a means by which they can support themselves and in turn their own families - while supporting other small businesses - the mechanic who maintains their trucks, the tyre seller who replaces their tyres, the coffee shops and restaurants they can afford to visit because they have worked so hard to be able to contribute to broader economy.

Now we have heard a lot from those that sit on the other side of the Chamber that the RSRT and the Payments Order will drive down truck crashes and improve road safety.

This is plainly wrong.

The Payments Order cannot improve safety. Let me explain a couple of reasons why. Firstly, there is no tangible link between paying drivers more and improved road safety. As one owner driver explained to me, if you pay the cowboy drivers more, because they are cowboys, they will just drive more - more hours, longer distances, to get that money. This creates increased risk to road users, not safer roads.

Secondly, the Payments Order applies to only owner drivers. Road accidents involving trucks occur with both owner drivers and employee drivers. In 84% of cases where there is more than one vehicle involved in a fatal crash, the accident was caused by the other vehicle, i.e. not the truck. To single one
group out, effectively branding them as unsafe, is not only unfair, but it's also wrong, and enormously insulting. And as one owner driver put it, un-Australian.

Finally, the Payments Order does not require an owner driver to have a minimum number of rest breaks on their journey, nor does it require a truck to have the latest fatigue management equipment installed. And it doesn't require the owner driver to undergo any training on road safety. These practical measures have all been recognised as having a significant impact on safety and yet the Order doesn't mention them.

This Government is not prepared to let small business operators and families be punished just because they decided to buy a truck instead of a corner store. Since the Order was made, concerned truck drivers and their families have been inundating the government saying that this Order is creating uncertainty and costing them their livelihoods.

The uncertainty is almost as crippling as the Order itself, and some drivers have indicated they are parked up and will be broke within weeks. This Order has nothing to do with safety and everything to do with pricing small businesses out of a market. Small businesses whose workers don't typically choose to be a member of a union - which when it boils down to it, that's what the Road Safety Remuneration System has always really been about.

And who can forget the circumstances in which this System was created. The RSRT was a trade-off by the Gillard Government to stop the TWU agitating against the former Government's carbon tax. Mr Sheldon, head of the TWU, confirmed the link himself when he spoke on 28 July 2011:

Mr Sheldon told the Herald yesterday that during the meeting with Ms Gillard, "I spoke about the impact the carbon tax would have on truck drivers and the urgent need for safe rates to ensure truckies didn't have to wear yet another cost".

This Government wants to see real solutions to the problem of road safety. The most recent independent review of the system, conducted by PricewaterhouseCoopers, was damning. PwC found that:

- there is no clearly established link between rates of pay and road safety;
- the Road Safety Remuneration Tribunal has a high degree of overlap with real safety agencies, who are more focused on road safety matters; and
- 'abolition of the System would result in significant net benefit to the economy and community at large.'

The report could not be clearer on the many failings of the Road Safety Remuneration System.

The Government remains strongly committed to ensuring the highest standards of road safety. The Road Safety Remuneration Tribunal is clearly not the body to tackle road safety.

This is why we will ensure that the proper regulator, tasked with making a real difference on safety issues, will be properly funded. We will redirect all the resources from the Road Safety Remuneration System - $4 million per year - to the National Heavy Vehicle Regulator to ensure the tangible safety measures the industry want are given priority.

We cannot afford to wait any longer for this mess to be sorted out. We must stop this act of economic vandalism – there are real families suffering real stress and financial ruin.

This Bill will repeal the Road Safety Remuneration Act 2012, thereby abolishing the Road Safety Remuneration Tribunal and the orders it has made. We will make sure the Payments Order is gone as soon as the Bill takes effect.

I therefore urge all members to support this Bill, which is about saving jobs, not only of the 35,000 owner drivers, but of their families who help run the business, and of local people in the community who rely on the business that local trucks bring.
Now before I conclude, there are a number of owner drivers who are present today in the House. These owner drivers have taken the time and borne the cost of fuel and accommodation to be in Canberra today as their futures depend on it. Thank you for being here today. The Government is committed to abolishing the System so you can return to work.

A vote for this Bill is a vote for a real solution to the issue of road safety in the trucking industry.

A vote for this Bill is a vote for the thousands of Australians who rely on this industry.

A vote for this Bill is a vote for the viability of mum and dad small businesses, which are so vital to the Australian economy.

I commend the Bill to the House.

1 Coorey, P, 'Labor doubts sincerity of union boss attack on carbon tax,' Sydney Morning Herald, 28 July 2011, p. 3.

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (19:52):

Could I just clarify: you have just moved a gag—

Senator Cash interjecting—

Senator CONROY: a guillotine at 9.30?

Senator Cash: The Senate agreed with us.

Senator CONROY: You have moved a gag on this bill with the support of Senator Lazarus and Senator Madigan? Senator Madigan, did you even know they were doing this? You agreed to the gag as well?

Senator Madigan: Yes.

Senator CONROY: For what earthly possible reason could you have agreed to a gag?

Senator Cash: Chair—

The ACTING DEPUTY PRESIDENT (Senator Williams): Senator Conroy, direct your comments through the chair, please.

Senator CONROY: I rise today to speak on the Road Safety Remuneration Repeal Bill 2016. Let me be clear from the very outset: Labor does not support this bill. Let us not be confused about this. This bill seeks to abolish the Road Safety Remuneration Tribunal, a tribunal established by Labor in 2012 to make Australian roads safer by reducing the number of fatal crashes involving trucks on our roads. By abolishing the Road Safety Remuneration Tribunal, the following will be wiped out: maximum 30-day payment terms for owner-drivers; the right for both employee-drivers and owner-drivers to have a written contract setting out the terms and conditions of engagement; safe driving plans for both employee-drivers and owner-drivers so that the work is planned to be performed both safely and legally before the driver gets behind the wheel; a prohibition on deducting money from owner-drivers without express authorisation; adverse action against protection for drivers raising the hand about safety issues, including their pay; client accountability to ensure contracts conform with this order; and a requirement that transport operators have drug and alcohol policies in place.

The Prime Minister's decision—supported, it seems, with a gag motion, by a range of crossbench senators—will mean, if it passes, that Australian roads are less safe for all Australians. Safety on our roads must be paramount. Malcolm Turnbull has no regard for this, despite the body of evidence that links rates of pay and frequency of crashes on our roads.
Fatality rates for the trucking industry are 12 times the national average. This makes the road transport industry the most deadly industry in Australia. Just last month, 25 people died on Australian roads as a result of heavy vehicle accidents. Yet, despite all of the evidence, those opposite continue to peddle the lie that there is no link between rates of pay and safety. Despite the evidence of their own commissioned report which was commissioned with the sole purpose of discrediting this link, it found the link. It actually proved that the government continues to lie about this issue on a daily basis.

This needs to be addressed. Instead of addressing this, Malcolm Turnbull is going to trash the tribunal established specifically to stop accidents which cause death and serious injury. This decision is extraordinarily rash and extremely dangerous, given the body of evidence that links pay and safety on our roads.

A PwC report commissioned in 2016, a Jaguar Consulting report in 2014 and the National Transport Commission report 2008 all showed that reduced pay for truck drivers increases risk. All of those reports—including ones commissioned by this government and its flunkies—established the link.

Earlier this year, after reviewing the road safety remuneration system, PwC reported that the road transport industry has the highest fatality rates of any industry in Australia, that being a fatality rate 12 times the average for all Australians. These are incredible statistics and must not be ignored. But Mr Turnbull and Senator Cash want to ignore this and, worse, they want to make up outrageous lies about this issue: 'It is just here to feather the bed of the Transport Workers Union.' How often has that been repeated in the last few days?

Well, I am proud of being a member of the TWU, I am proud of being a former official of the TWU, and I am proud of my support—doing what I could by supporting this legislation—to reduce road deaths in this country. I have been associated with this industry for over 25 years. I have met and I have talked to drivers who have been forced to drive unsafe vehicles, forced to drive at unsafe speeds and forced to drive in a way that would not comply with our road rules. If they dare to point out that the brakes do not work properly and need a service or the average speed they need to drive at is actually greater than the allowed speed limit in many parts of Australia, they lose their work. Organisations like the ATA mercilessly exploit drivers—owner drivers and company drivers. I am shocked and horrified to see press conferences being conducted by people who exploit so blatantly vulnerable workers in their work environment: the cabin of a truck. For that to be described as being simply about putting money into the TWU and supporting the TWU is certainly a disgraceful way to conduct the debate and hide the shameful act that is taking place in this chamber tonight.

I appreciate that there is an election coming and I appreciate that the pressures are on, but those opposite want to abolish an independent road safety tribunal, even when I think that, unanimously in this chamber, everybody would agree that the recent rulings need to be amended. In fact, the TWU spent the morning—they are not even here in the building today—in the tribunal asking to have the rulings so far set aside, to do what Senator Williams pretends he is really about. He said, 'Let's defer it until 1 January.' No, it was never really about that. Let's not be fooled. That was the position of almost every person in this chamber, until the last few days when we got a chance to bash a union for protecting lives in this country. The TWU appeared today before the tribunal to put all those points and are awaiting the decision. Hopefully, it is a decision that shows more common sense than has been shown...
so far, proving that it is independent. It has heard from all parties. No employer group opposed the proposition from the TWU today, so you could have achieved a common sense outcome if you had not decided to play politics. But you have been around for a long time, Mr Acting Deputy President Williams.

The statistics quoted from the PwC report do not suit Mr Turnbull and those opposite in this debate. They certainly do not suit Senator Cash. We have reached the stage where Senator Cash now officially says that black is white, even regarding productivity in the Building and Construction Commission. There is no link between pay and safety on the roads. Black is white. Senator Cash could almost be a magpie, though I know she would not get on board at the moment. Only a true magpie sticks tough in times like this. You could do no better this week, if you want to examine the facts as opposed to the scare campaigns and the lies told by the government on this issue, than The Conversation, which ran a FactCheck on whether better pay rates for truck drivers improved safety. Their verdict said:

There is persuasive evidence of a connection between truck driver pay and safety. The FactCheck also said:

… there is ample evidence that supports the relationship between compensation and safety in trucking ...

I have to express admiration for Senator Madigan for staying, but I would have thought that the senators, particularly the crossbench senators, who agreed to support the gag and cut off this debate in just under an hour and a half would have had the decency to come into the chamber, listen to the contributions and participate before they chose to make Australia’s roads unsafe. Senator Madigan, to his credit, is going to stick it out for the debate. That is very typical of Senator Madigan's conduct in the chamber. He comes in, says what he thinks and listens. But, to the others who have deserted the chamber after supporting the gag, I say: 'It's only an hour and a half. It's not that long. Come on down. I'm told you all want to make big contributions. Come on down, listen and speak in the debate. Don't desert the chamber and leave it to the government. You're voting for the gag. You're voting to make Australia's roads unsafe. Come into the chamber and be part of the decision-making process. Come and be part of the debate.'

The Conversation's FactCheck—and I will repeat it because it is worth repeating—said:

There is persuasive evidence of a connection between truck driver pay and safety. 'Persuasive evidence'. And:

… there is ample evidence that supports the relationship between compensation and safety in trucking ...

So it is now crystal clear. The minister stands up and denies it. I watched the head of the ATA on television say there is no link. The CEO was on 7.30 and he said there is no link. Those are the deceitful people that you have got into bed with. They have a long history of deceit in this sector. I have dealt with the ATA. I have dealt with them over 25 years. They are deceitful and dishonest. Last week they said there is no link between road safety and pay, just so that the government could stand up and repeat it, saying, 'The ATA said it. It's okay if we say it.'

It is now clear that when the Prime Minister gets a decision from an independent umpire that he does not like he just goes out and trashes it. If he had put the first bill that was originally talked about—the deferment—on the table, I am hazarding a guess that he would
have gotten almost unanimous support to try and work through the issues. But do not destroy a body whose job it is to make Australia's roads safer.

This behaviour raises very serious questions about future decisions of government and sets a disturbing precedent. If they are willing to abolish a tribunal because they do not like its decision, what would stop the Abbott-Turnbull government intervening to defer the increase in the national wage, or overriding a decision of the Fair Work Commission on penalty rates? The consequences of the decision that this chamber will make are quite extraordinary. Its decision has quite extraordinary implications.

The Prime Minister changes his position on an almost daily basis. This decision flies in the face of his commitment just a few weeks ago. He gave a commitment a few weeks ago to only introduce legislation to scrap the tribunal after the election. He made that commitment. But this Prime Minister does not care about road safety. He does not care about the families of the victims who die in these circumstances. He is turning his back on them. He will not talk to them. He will not meet with them—and there are some senators in this chamber who are guilty of the same. They have ignored all of the evidence. They have ignored all of the pleas and emails saying: please do not do this; please reconsider.

In this instance the Prime Minister is using Australian truck drivers as a pawn in his political game. Never in his time in the other place has the Prime Minister been so interested in road transport. What a comedy! Mr Turnbull pretending he cares about truck drivers! Maybe he should have said to the truck drivers that they should live within their means. I know they would like to live within Mr Turnbull's means! Why does the Australian Prime Minister, other than for cheap, base politics, want to make Australia's roads less safe?

Before embarking on this campaign the Prime Minister should have checked with his National Party colleagues, because in June last year Mr Truss said at a tribunal, 'We haven't got any plans to get rid of it.' But it was alright; Wacka was on the job, sneaking up like the sniper that he is. In 2012, when this legislation was introduced in this chamber, Senator Williams said:

Let us talk about road safety. We are talking about safe rates. We are talking about what truckies are paid, especially the contractors when they unload at Coles and Woolworths. I do not have a problem with what you are proposing.

These are Senator Williams's words. The sniper was in the grass. Barnaby Joyce said—and I hope you realise I am using an AFL reference in this one—

**The ACTING DEPUTY PRESIDENT (Senator Williams):** And referring to those in the other place by their correct title, of course.

**Senator CONROY:** Sorry, my apologies—Mr Joyce, the Deputy Prime Minister, said:

… we are not emphatically opposed to this.

So rather than sitting down and consulting with all affected parties—and I know, Senator Madigan, that you will stand up and say, 'I did consult on the weekend.' I am aware that you gathered bodies—I was shocked to hear that you did not invite any representatives from the Transport Workers’ Union, a stakeholder in the sector.

**Senator Madigan interjecting—**
Senator CONROY: I know you had a meeting with them, but I was told that they were not invited. I could be wrong. If you indicate to me in the chamber that that was wrong, then I am happy to accept that.

Senator Madigan interjecting—

Senator CONROY: I did not speak to them about it. Someone else who attended told me that.

The ACTING DEPUTY PRESIDENT: Are you referring to me, Senator Conroy?

Senator CONROY: No.

The ACTING DEPUTY PRESIDENT: Pass your remarks through the chair, please.

Senator CONROY: My apologies. I am not referring to—

The ACTING DEPUTY PRESIDENT: No. When you are talking—

Senator CONROY: Sorry, my apologies. If the senator wants to indicate that it was the case that the TWU were invited, I will happily accept that. If he is nodding and saying it is, Mr Acting Deputy President, I will accept his word. Others who attended told me that they were not invited. I saw the list of participants and I asked the question.

Senator Madigan interjecting—

Senator CONROY: Saturday just gone. Two days ago.

Senator Madigan interjecting—

Senator CONROY: I accept the interjection, Mr Acting Deputy President, because I know that Senator Madigan did hold a forum with the national secretary of the Transport Workers’ Union. I repeat: I congratulate you, Senator Madigan, on the way you conducted yourself. You have made an attempt to be informed about all sides of the debate. You may have ended up on a different side to me, but you have made a genuine attempt to get across the complex issues that I have also focused on for 25 years of my working life. I was told that the meeting you had on the Saturday just gone was a meeting of stakeholders. But it was a stakeholder meeting that did not include the Transport Workers’ Union. It was with all the employer bodies, which I would have thought, by definition, are not all stakeholders.

Senator Madigan interjecting—

Senator CONROY: I am not trying to have a go. You attempted to inform yourself. But I was surprised, if you were holding a stakeholder forum, that they were not invited to that meeting. Rather than properly sitting down and consulting with the affected parties—employers, workers, unions, owner-operators—the government and some on the crossbench are going to recklessly ram this decision through. (Time expired)

Senator RICE (Victoria) (20:13): I rise to oppose this legislation to abolish the Road Safety Remuneration Tribunal. I oppose this legislation, which we have not even seen, which is being rushed through—rammed through. We are hearing now that the whole debate is going to be gagged and guillotined in an hour and a quarter's time.

The establishment of the Road Safety Remuneration Tribunal was good legislation. It was good legislation because it was about improving safety for us all. Abolishing the Road Safety Remuneration Tribunal is yet another attack by this government on the rights of hardworking
Australians who deserve the right to be paid, or to pay themselves, a decent wage—a fair pay—for their work as truck drivers.

The fact that this legislation is being rushed through tonight—even more than we thought was going to be the case, with the legislation being guillotine tonight—just shows the strength of the government's attack on ordinary hardworking Australians. The reason I am passionate about this, and passionate about fact that the Road Safety Remuneration Tribunal was supported by good legislation, is that this is about people's lives. In talking tonight, I reflect upon the fact that, in the last year, 194 people lost their lives on Australian roads because of a crash involving a truck. Every single life lost is a tragedy, but it continues to happen. This legislation is about everyone of those fatalities. Every time you hear a news report on the radio or the TV about one of these fatalities, you can just imagine getting a phone call telling you that your son or daughter has been killed in a crash and your life changes in a single moment.

We have probably all thought of it, but it is a risk that we take—whether we travel by truck, by car or even by bike. Anyone who has driven a car knows the feeling when you are driving down a country road and a truck appears in the distance. As it powers past you, you have got to hold onto the steering wheel. The car rattles a bit in the wind produced from the sheer mass of the truck, but you have made it past safely. As for the truck drivers, I can only imagine the weight of responsibility every time they jump into the cabin and turn the key in the ignition. These truck drivers are doing their jobs—delivering the goods that we need—and doing it for the families; and, to the best of their ability, they keep everyone else on the road safe.

But, too often, truck drivers can be doing nothing wrong on the road when they are inadvertently involved in a collision. They might survive the crash, because they are in the larger vehicle, but the emotional scars can last a lifetime. Our truck drivers go to great lengths to do their job. I have spoken to many truck drivers over many years. I live in Footscray, and many trucks ply the streets of Footscray and Yarraville going to from the port. I have engaged with truck drivers over the last two decades. When I talk to truck drivers, they tell me about the immense pressure they are under. They tell me that they are not being paid enough and thus find themselves forced to cut corners, to skip breaks, to work incredibly long hours or to take up a second job. They find themselves forced to work up to 18 hours, often at night. They find themselves forced to take uppers in order to stay awake. They find themselves doing things that are against regulations, against all of the controls. They are doing that and they are pushing the system. They are running the risk of breaking these laws because they feel they need to do it in order to make enough money to make ends meet.

Our job in this place is to make sure these drivers do not feel under pressure to do unsafe things. Truck drivers should not be forced to work ridiculous hours to put food on the family table. They should not be forced to cut corners because it is the beginning of the school year and their kids need new shoes, books or uniforms. Enabling truck drivers to have minimum rates, a fair amount of pay for the work they do, is what the Road Safety Remuneration Tribunal was set up to do. It was set up so that truck drivers were not in a race to the bottom, were not spiralling to the bottom and feeling that they were so desperate to get that next job that they had to undercut somebody else, offer to do it cheaper and, because of that, work longer hours, take risks and cut corners. The abolition of the Road Safety Remuneration
Tribunal will be a cruel blow to anybody who has been affected by road trauma involving trucks and a cruel blow to the many additional people who will be affected by road trauma in the future. They will have their colleagues, their friends, their sons, their daughters or their parents unnecessarily involved in a road crash because truck drivers were cutting corners and taking risks.

The abolition of the Road Safety Remuneration Tribunal will be a cruel blow to other people on our roads. I am thinking of the intersection of two main roads, Geelong Road and Moore Street in Footscray, just around the corner from me and the number of times you see trucks running red lights. I am thinking of the number of times that the fence of the house at that corner has been smashed to smithereens because of trucks running red lights, speeding and doing their best to do their job as quickly as possible. We know, from talking to them, that the reason they are doing that is that they have to get their load somewhere as quickly and cheaply as possible in order to have their job.

The abolition of the Road Safety Remuneration Tribunal is going to be a cruel blow to people travelling on trains. In particular, I am thinking of the rail bridge near Footscray Station, in Napier Street, Footscray, which is the most smashed into bridge anywhere in Melbourne. It gets smashed into when drivers, for some reason, forget how high their trucks are—and, oops, they do not quite fit under the bridge! Why is that the case? It is because of the pressure that these drivers are under. It is because they have to get from the port to the container yard as quickly as possible. They have not even stopped and paid attention to how high the container loaded on the truck is and that it is not actually going to fit under that railway bridge at Footscray Station.

I am thinking of the speeding trucks that rush past me when I am on my bike in Moore Street Footscray. I fear my life. Again, they run red lights and put other road users at risk. I think of the people, living in residential streets in the suburbs around me—in Footscray and Yarraville—who are trying to sleep but cannot sleep, despite the fact the there are curfews on the roads around them and regulations in place that are meant to say, 'No, trucks aren't allowed on these roads at night.' But there are truck drivers who—again, because they are not being paid enough—are desperate for the job. They are desperate to do it quickly and they are desperate to drop off their load so they can quickly go out and get another one. They break the rules, and they do it because it is impossible for them to survive. It is impossible for them to be earning a decent enough wage without cutting corners and without speeding. They do it to survive.

How do we stop these unsafe practices? There are obviously a number of factors that come together to make our roads safer, but fundamentally we have to change the system so that the incentives to be going too fast, cutting corners and breaking the rules no longer exist. Yes, we need more enforcement of existing regulations, but we have had those regulations in place for years—some of them for decades—and they keep getting broken because the incentive to break those regulations is there. The incentive of trying to earn a decent amount of money is there, and it is why those regulations are broken.

By saying that we can fix all this just by enforcing these existing regulations is just treating the symptoms rather than treating the fundamental problem that many of the drivers driving trucks on our roads are not being paid enough for the trips that they are driving. They are not being paid enough so that at the end of a day's work, or at the end of a week's work they have
enough money in their pockets to survive. Yes, we need to have safer trucks. There is no doubt about that. We need to have safer roads, but the evidence that we have heard at the road safety committee has told us that you need to be looking at the whole system that operates together. You just cannot pick out one thing and hope that that is going to be your silver bullet. We cannot just hope that enforcing regulations will be enough. We cannot just hope that having safer trucks will be enough. We cannot just hope that having safer roads will be enough.

You need to have everything working together, and that is why the Road Safety Remuneration Tribunal was set up to add the other piece of the jigsaw puzzle by ensuring that if you had minimum rates of pay then truck drivers, after working a hard day's work or a hard week's work, would have enough money and would be earning a fair day's pay for a fair day's work. We have to pay them properly, otherwise they are at risk of being undercut. Without minimum rates that is what happens. Without minimum rates you can have truck drivers who are determined that, as an owner-driver, they are going to make sure that they charge enough for the trip that they are doing. But then they find that there is somebody else who is just that little bit more desperate than them who undercuts them, and so it is a race to the bottom—a spiralling to the bottom. This comes to the crunch of why we have regulations. Particularly when we are looking after workers' rights, we have regulations for minimum rates of pay. We have awards. We have enterprise bargains. We have these regulations in order that people can be assured that they will be getting a fair day's pay for a fair day's work.

The Road Safety Remuneration Tribunal exists in the interests of our truck drivers and the safety of everyone on our roads. Abolishing the Road Safety Remuneration Tribunal is going to make our roads less safe. We supported establishing the tribunal because the Greens believe that everyone deserves a safe workplace and our roads should be safe for everyone. This is supported by study after study. Study after study shows that you need to be working on all of the factors that I have talked about; but they particularly show that safety on the roads for truck drivers and everyone else is related to truck drivers' wages and conditions, and by improving wages and conditions for owner-drivers we make our roads safer for everyone. The Greens supported the tribunal and we welcomed the tribunal's decision for safe rates when it was handed down.

The other aspect of abolishing the Road Safety Remuneration Tribunal is that it fits into the government's overall agenda, and particularly the debates that we have had today: the government's attacks on workers' rights across the board and the multiple attacks on workplace safety. We need to be taking action to reduce the road toll, but the ideological smear campaign that has followed the tribunal's order and has occurred with this legislation proposing to abolish the tribunal is putting the safety of everybody on the road at risk. The Road Safety Remuneration Tribunal and the orders under the tribunal have lifted and would have continued to lift the wages and conditions of all truck drivers, so that owner-drivers receive a similar pay rate and conditions as employee drivers, whose pay and conditions are covered by an award.

By ensuring minimum safe rates for everybody, it means there is not cutting corners—you cannot try and find somebody who is going to do the job a little bit cheaper by cutting the corners and breaking the rules. Having these minimum rates obliges those at the top of the supply chain to adjust their present and future contracts to actually recognise that there needs
to be enough money flowing down the chain to be paying owner-drivers adequately. Otherwise, by abolishing the Road Safety Remuneration Tribunal, the real winners are not the owner-drivers. It is the owner-drivers who will have to continue to underpay themselves, and they are going to find themselves having to cut corners again and again.

No, by abolishing the Road Safety Remuneration Tribunal, the real winners are going to be those at the top of the supply chain. It is going to be the big businesses and the supermarkets—the people who are ordering and in control of these transport contracts. They are the ones who are going to be screwing all of the truck drivers. They will be screwing the owner-drivers. They will be screwing all the other truck drivers to try to reduce their rates. Whereas, having the tribunal ensured that owner-drivers, as well as other drivers, were able to have safer and stronger working conditions. The Road Safety Remuneration Tribunal system was based on the successful system that has been operating in New South Wales for the last 30 years.

The evidence is that having this order from the Road Safety Remuneration Tribunal, the continuation of the tribunal, is not going to cause owner-drivers to lose work. The outcry from owner-drivers that they are already losing work—where is that work going to go? It is not as though there is a whole spare fleet of thousands of trucks and thousands of truck drivers to take up the jobs they would otherwise be doing. It is not that the employees of the large trucking companies are going to be paid less than these owner-drivers, because they are not. This order and the operation of the Road Safety Remuneration Tribunal are there to ensure that what owner-drivers are paid is equivalent to what employees of trucking companies are paid.

Safe rates for truck drivers are essential for ensuring that our roads are safer for everyone. When I am driving down the road and when people are sleeping in their beds on truck routes, I and they, the community, want to rest easy that the driver of the truck coming towards us has had enough sleep and is not being forced to do anything that is putting our lives at risk. In particular, I never want to have to receive that dreaded phone call saying that something has happened to my family.

The Greens are very strong in opposing these moves to abolish the Road Safety Remuneration Tribunal and I am hopeful that the crossbenchers, today, will see sense, see that the rush to push through legislation to abolish it is wrong. It is wrong for the safety of Australians on our roads, it is wrong for truck drivers and it is not in the interests of fair working conditions for ordinary hardworking Australians.

Senator LAZARUS (Queensland—Leader of the Glenn Lazarus Team) (20:31): I rise to speak on the Road Safety Remuneration Repeal Bill 2016. I am voting to abolish the RSRT and the order for two reasons: firstly, owner-drivers need the right to run their businesses their own way; secondly, owner-drivers are being forced to charge higher freight rates, which is pricing them out of the market and sending them broke.

I have spoken to a lot of owner truck drivers over the last couple of weeks and they are very worried about their future. Two weeks ago I was at a trucking rally or convoy in Brisbane. A young man came up to me and said, 'I do know what I am going to do. I only purchased this truck a week ago and now they are telling me they do not need my services on Monday.' I am hoping that young man is listening because, hopefully, in the very near future
this will only be a nightmare and he can get on with his work and get on with what he loves doing and what he is passionate about—driving trucks.

I believe that truck drivers—owner truck drivers, in particular—are the very fabric of this country. If they stop this country stops. I am absolutely horrified about what this tribunal has handed down, in the way of an order. It, quite clearly, is not a level playing field. All this does is benefit the big end of town and the TWU. Owner truck drivers will get so desperate that they will have to sell their trucks at a minimal price. Then, they will have to sell their houses, because they will have to pay off their debts and, then, they will be looking for work. The first place they will go—because all they know is driving trucks—is to the big transport companies. If you want to become a truck driver for one of those big companies you have to be a member of the TWU. That is exactly what they know and that is exactly what they want. We are indebted to the trucking industry. In my state of Queensland, which is a vast wide-rangi

ng state, owner truck drivers transport goods and services around the state without question, and they do it because they love doing it.

I have met a lot of truck drivers. Two of the more interesting ones—I cannot remember their last names but they were Angelo and Leanne from Brisbane—had a dream that at some stage they would own a truck and they would see this wonderful country that we live in via that truck and by transporting goods and chattels around this country. The dream came true. They did end up buying a truck and they are absolutely loving what they are doing. But their world was rocked, on 4 April, when an order came in to say that they would have to charge higher rates than the bigger transport companies have to. So business dried up. They were in a state of disrepair. They did not know what they were going to do or where they were going to go. In fact, at the rally a couple of weeks ago there were quite a few men and women in tears, sick with worry about what the future holds.

I am sure the RSRT was set up with good intent. Only last year I voted to keep it established. I have apologised to the people of Australia and have admitted that I was wrong.

Senator Singh: Why did you change your mind?

Senator LAZARUS: Because I thought it was put together with good intent. Clearly, I was mistaken. A couple of weeks I apologised for my actions on voting to keep this RSRT established. I was clearly wrong. But it was with good intent that I voted for it.

Today, as we sit here in this building, owner truck drivers are going broke across the country. Mum and dad truckies are losing their trucks, their homes, their families and their lives. Queensland is in mourning, as last week in Queensland we lost a truckie by the name of Adam Caton due to the compounded stress that this RSRT had brought upon him. I send my sincere condolences—

Senator Singh interjecting—

Senator LAZARUS: A bit of respect, Senator Singh. I send my sincere condolences to his family and friends at this difficult time.

I think we all agree that we need safer roads. We all agree Australians need a fair day's pay for a fair day's work. The intent of the RSRT order was probably good, as I have said, but the order in its application has resulted in unintended consequences. It has resulted in the decimation of an entire owner-driver trucking sector. The issue is now a complete mess. We need to abolish this tribunal and the order today—right now, without further delay. There are
some 35,000 owner truck drivers in this country, and all of them are in limbo, not knowing what their future holds.

The funds from the tribunal, I think, need to be directed to the National Heavy Vehicle Regulator, and the Heavy Vehicle Regulator needs to be given more teeth, even though the trucking industry is one of the most heavily regulated industries in this country. I have no doubt that the owner truck drivers love their trucks with a passion. I have seen well over 300 or 400 trucks in the last couple of weeks, and every one of them was immaculate. You would swear they had just come off the showroom floor. We also need to develop an industry code of conduct, which should sit with the ACCC, to ensure there are fair trading and business practices across the industry. We need the code of conduct to ensure that the big boys do not take advantage of the mum and dad truckie businesses. It is only fair that owner-drivers deserve to be paid within 30 days, not 90 or 120 days, and they deserve to be treated fairly. The RSRT order regulates the victims in this industry, when it is the big boys who should be regulated.

I have met quite a few owner-driver truckies. Their trucks, as I said, are immaculate. They care for their trucks like their treasure. They drive trucks and own trucks because they are passionate about what they do and they love doing what they do. They are kept to a high standard and they are safe. Over 80 per cent of trucking accidents on our roads are not the fault of the truck drivers—they are the fault of cars and the drivers of those cars.

If we look across our communities, owner truck drivers are responsible for many initiatives, including—we have just seen it—the Burrumbuttock Hay Run and the Convoy for Kids. I was in Townsville late last year and joined in the carnival. There were hundreds of trucks, and 80 to 90 per cent of them were owner-drivers—not trucks from big transport companies, but owner-drivers. Eighty per cent of the trucks in the Burrumbuttock Hay Run are owner-drivers. Owner-drivers are the heart and soul of our country. I think they are the very fabric of this country. They keep us going. They do the jobs that need to be done that the big companies will not do. When we have debated this issue we have heard the example of farmer John wanting a couple of head of cattle taken up the road. The truckie will do it for $150, but now he has to charge $748 to haul those same cattle because of this order. It is an absolute disgrace.

They donate their haulage for the charity initiatives that need to be supported. They do much across our country and today we need to do something for them. We need to give them back the right to drive their trucks on our nation's roads, because that is what they do best. That is what they are passionate about and that is what they love doing.

I would like to take a couple of minutes to thank some people that I have come across in the last month or so in regard to this issue. I would like to send out special thanks to Rodney Chant. He is a Queensland truckie who has worked tirelessly with me and many other truckies in Queensland to see this mess resolved. He absolutely loves what he does and loves working in the industry. He loves the mates and the friendships that he has created through his truck driving and he was absolutely shattered by this order. I would certainly like to thank him for the hard work that he has done in helping this parliament abolish this ridiculous order.

I would also like to thank Kylie Robinson. Kylie is part of the Trucking Support Agency in Queensland, and I would dearly love to thank her and her husband for their tireless work in supporting drivers. Kylie was keeping me up to date with all the committee hearings and
things. Wherever I turned up for a trucking rally, there was Kylie, front and centre, making sure that everything was running smoothly. I would also like to thank Di, who is a part of Trans-Help, and I would also like to thank Natasha Schipp of Lights on the Hill Trucking Memorial for her wonderful work in supporting truckies across Queensland and ultimately across this country.

My commitment to you, the trucking industry and all the owner truck drivers is that I will abolish the tribunal and the order. I am now seeking the support of the Senate to achieve this. I want to do this because I want owner-drivers to be able to continue to do what they absolutely love doing, and that is driving their trucks, so they can get back to work.

Senator GALLACHER (South Australia) (20:43): I too would like to make a contribution in this debate on the Road Safety Remuneration Repeal Bill 2016. I want to put on the public record at the outset that the minister, the Hon. Michaelia Cash, is really putting politics over substance here. A political win for her has been put over decades of research and an enormous amount of work by competent, professional, highly skilled people. For the minister to say, in a very disgraceful comment, that this is about the TWU putting money into its coffers or filling its coffers, or some such thing, is an absolute disgrace.

I have been a member of the TWU since 1975. I know, have spoken to and worked with more drivers than Senator Cash will ever meet. I know the things that they go through on a daily basis. I know all about fixed costs of transport, variable costs of transport and labour costs of transport. These are things that I actually grew up with in all of my working life until I entered this place. I know all about visiting families who have had people in their families not come home from work. I can recount to you a story, Mr Acting Deputy President Edwards, of a police report where the driver was slumped over the wheel of his cab. The steering wheel was drenched in blood. The inquest proved that the person had ingested some amphetamines. He had an ulcer that had burst in his stomach. He vomited and drowned in his own blood. He was not taking drugs for a high, for a kick or for some fun. He was using those substances to get his daily work done. His schedule was so horrific, never-ending and ceaseless that, to actually stay awake and contribute to the economy, he had to take drugs. They are not isolated circumstances. No-one knows better than the Transport Workers Union of the worth of the owner-driver to the economy and to our society—no-one knows better.

For those students of history, most of the branches of the TWU were formed by owner-drivers. The South Australian branch of the Transport Workers Union came out of the Federated Carters and Drivers' Industrial Union in around 1900. The 11 miles from Port Adelaide to the city was the transport connection from the port to the city. Those carters and drivers formed the industrial organisation which became the South Australian branch of the Transport Workers Union. No-one can say that the TWU does not know owner-drivers. No-one can say that they have ever failed to represent them industrially. In the fixed costs of bringing a truck to the road—the registration, insurance, the leasing payments—these are easily readily quantifiable amounts. The variable costs—the tyres, the oils, the lubes—are easily readily available quantifiable costs. And for the labour costs, you go to an award, you take an award rate, you put a casual loading on it, you add your superannuation, you add your WorkCover, and they become an easily quantifiable rate for an owner-driver.

It may surprise this chamber, given some of the contributions we have had here today, that since 1984 there has been a contract determination in New South Wales which has done
precisely what the Road Safety Remuneration Tribunal has done today. Since 1984, owner-drivers in New South Wales have been able to access an owner-driver determination which prescribes fixed costs, variable costs and labour costs. The world did not fall down in New South Wales. In fact, New South Wales has the highest remunerated drivers and, particularly, the highest remunerated owner-drivers. They are not out of work. They are still contributing to one of the largest economies in Australia in a useful, productive way.

What has happened here is that the trips over 500 kilometres interstate have, for the first time ever, had sensible researched, credible costings attributed to the cost of bringing your truck to the market. No owner-driver in this country should be afraid to charge those rates. You, Mr Acting Deputy President Edwards, as a person of some business acumen and experience, would not put a truck on the road unless you could get your fix costs, your variable costs and your labour costs. And, dare I say it, for all of the hard work that they do, perhaps a little bit of profit would not be out of the question. That is what the Road Safety Remuneration Tribunal is trying to bring about. For there to be a knee-jerk reaction, which is what this is—a disgraceful political attack for political expediency—to just go out and throw out 20 years of hard work and 20 years of research just for political expediency, you hope it you might get you a few votes at the next election. And I have not even touched road safety!

I can speak on road safety. As a former National Transport Commissioner, as a director of the Motor Accident Commission of South Australia, as an acting chair of the Road Safety Advisory Council of South Australia, I do come to the argument qualified to talk about road safety. As a person who does drive—unlike the Honourable Deputy Prime Minister who in lieu of an eight-hour drive took a helicopter—last week I did my 800 kilometres on the road to attend a rural South Australian meeting. When I got back, dare I say, I was little tired, because 800 kilometres and three hours at a meeting—there's 11 hours. I did that once. Owner-drivers do that seven days a week, and put more on top. They will do 14 hours of driving, they will do their service in their own time, they will wash their trucks in their own time—and they do take pride in their gear, as Senator Lazarus has said. They are totally committed, professional people who are entitled to recover the true cost of doing their job. That is what this tribunal allows them to do. It allows them to be in the marketplace and say—and I read the other day that to take three trailers from Adelaide to Darwin, with a $280,000 truck, was $6,000; $4,000 in standing costs. Two grand for six days work and you are bringing $300,000 worth of gear to the job. That is if you can get a little bit of backloading; you might be a little bit in front of that. The true cost of doing that job one way is seven and half thousand dollars. That is the epitome of the problem—the true cost of doing it.

These people are being forced to do work at less than the true cost of recovery, and they have been doing it for years. I have seen friends of mine who have bought trucks, operated them for two years and operated them with the absolute commitment that God has given them—20 hours a day would not be unusual for them—only to find that, at the end of two years, they have eaten the truck. The truck is worth a lot less than what they started with, and they have nothing to show for it. The companies that they are employed by are paying their fuel bills because they cannot afford to pay their fuel bills. Some of these trucks will do two kilometres to a litre. You do not have to be Einstein to work out that if you are doing 3,000 kays that is $1,500 bucks, minimum, before you start recovering your tyres, your lubes and your oil.
Let us talk about road safety. There is one thing that is very clear: you can stop eating and you can stop drinking for a fairly lengthy period of time but one thing you cannot do is deny sleep. Sleep deprivation is cumulative. If you go with four hours sleep and then another four hours sleep, eventually you are going to fall asleep, and you will not be able to control that. I have spoken to drivers who have fallen asleep on the road with their 50-tonne trucks and travelled for a considerable distance. If they are doing 100 kays, you do not have to be a scientist to work out that if there is something in front of them it is not going to be good. You cannot avoid sleep. When you have drivers who are stretched financially, who need to work to pay that fuel bill, pay that mortgage, pay that truck bill and pay that wage, then they will push themselves to the limit. But there are limits to what you can do when depriving yourself of sleep.

There is an old story about the first coronial inquest into transport, where a carter and his driver had had an accident. The driver was killed. The inquest found that the horse was blind. The driver forgot to turn the horse and off it went, the cart rolled over and then the driver was dead. The question now is: how many blind horses is a driver in charge of when he has a power nap or a sleep deprivation event? The answer is 500; a 500 horsepower motor. If you fall asleep for 60 seconds, it is catastrophic. You cannot deny your body sleep. There is a serious problem with overwork, underpay and road safety. We, the community, are paying for that.

We do not say that paying everybody more money is going to fix all problems but it will take the pressure off. Look at some of the transport companies of renown: for example, Quikasair—it is a fancy name. Did you know that Quikasair were actually proved to be as quick as air? The ACCC consigned an airfreight parcel in Victoria. It went to the airport and it went in a Quikasair truck, which we used to call 'bitumen Boeings'. It was delivered in Adelaide at the airfreight price; they were fined several million dollars for doing this, but they still do things very, very efficiently and quickly. I was called to a depot where a high-speed transport operator was not only high but also he had driven from Sydney to Adelaide in just over 12 hours. That is 1,400 kilometres. How is that literally possible? It is possible because human beings take a lot of risks when there is a bit of money to be made and they have no rules to bind them—so, doped to the eyeballs and speeding all of the way.

There was a very famous coronial inquiry in South Australia where a driver did back-to-back Sydney trips. On his third way back, without sleep, he crashed into a car and three generations of a family were incinerated. He earned 14 years at Her Majesty's pleasure for that effort. This is a vigorous and very dangerous industry. If people cannot recover their true cost of coming to work, then something will give. Quite often it is something in the road safety area that gives if tyres are not changed and maintenance schedules are not met. I heard Senator Cash say, 'We could have a bit of gear in the truck that would fix all of that.' The Australian design rules do not feature crash data or journey data. If there is journey data in the imported trucks that come into Australia, the feature is actually taken out for Australia. In Europe you have crash data and journey data. In Australia, you do not.

The road safety aspect of this cannot be estimated. The cost to the economy is unbelievable. The cost to a lot of workers' compensation schemes around Australia is also extremely important. Dare I say, all of that has been glossed over because Senator the Hon. Michaelia Cash believes it is the TWU trying to fill its coffers. I have to tell you that nothing
could be further from the truth. We have invested 20 years in this effort; 20 hard years of convening all of the stakeholders in the industry, and of convening all of the experts we could find to prove the case, to prove the link between road safety and remuneration. We were successful. Now, with Senator Lazarus, Senator Lambie and others—perhaps Senator Muir will be on our side—it looks like it will all be thrown out without proper debate.

One thing that John Faulkner said before he left this chamber is that the really disappointing thing is that decisions are not made in this chamber after debate. Decisions are not made in this chamber after a good, long, hard and fulsome contribution from all sides of the chamber. They are done in tiny corners with secret deals. Here we stand today, with 9.30 pm as the cut-off, gagging debate and not even allowing a proper contribution from all interested parties. Why? Because of the narrow political interests of those on the other side and some people who have been snowed.

I will say, Senator Lazarus, I know owner-drivers probably better than you know owner-drivers. When I was elected as the secretary of the TWU SA/NT branch, I had a thousand owner-drivers vote for me and I never shirked the task of representing them, their families or anybody in that industry. To come in here and say, 'Oh, I made a mistake last week', well, that is not how it works. This is a vital segment of the Australian economy. It contributes magnificently. The only thing it is not good at is getting paid correctly. Most of these people will not be paying tax. Their accountant will be saying to them: 'You had better have a better year next year because these figures do not look good. You have eaten the truck—that has depreciated in value—and you have not provided for a new one, or you've taken a mortgage out on your house for what looks like a pretty bad business deal.'

It has to get more mature. People need to get proper remuneration for the fixed, variable and labour costs. Lots of these owner-drivers will work themselves to death. They will rely on their partner at home to do the books. I have met them. I have met single owner-drivers and their partners. I have met small companies with three, five and 10 trucks. I have sat down in their kitchens and talked about superannuation payments, wages payments, truck payments and how they balance all of these things together. The only thing they are not good at is actually charging for what they do.

The Road Safety Remuneration Tribunal is a once-in-a-lifetime opportunity to get independently costed figures into a deal which the marketplace should respect, because you cannot hire a driver who has not registered his truck, you should not hire a driver who has not got some sickness and accident insurance or some WorkCover and you should not hire a driver that has a poorly maintained vehicle. But they do because they do not pay them enough to do the job properly. They simply do not pay them enough to do the job properly. Quite often these drivers will have to show their costs to a company, and the company will then tell them, 'Take a bit out of here. Take a bit out of there.' It is an absolute disgrace.

This was, for me, a once-in-a-lifetime opportunity to see some sanity, some fairness and some real reward for their effort. Now, I understand what has happened. The hirer will say, 'I can get that transport company to do the job cheaper'—and they may well, for a week. But if there are 35,000 owner-drivers today in Australia, that means there are 28,000 to 30,000 jobs in Australia which no-one can pick up in a day. There is no company with that spare capacity. If they had that spare capacity, they would soon realise that you need to up-rate the business, because no-one is more efficient than an owner-driver. They get up in the morning, they wipe
their chrome wheels, they clean their cab. They never charge for any of that. If they cannot even charge for the wherewithal of what they use in doing the job, they do not charge for the additionals.

I know lots of employee drivers who will not do anything on their own time. They wait till they get on the clock and they say, 'Fair enough.' Lots of transport workers get into work 15 minutes early and give the boss that because they do not like to be rushed. But owner-drivers are a most efficient people, except at claiming their costs. Now, it is pleasing to see that Senator Muir has stayed on the right side of the argument, but I have found Senator Cash's contribution very virulent, shrill and over the top. It is as if we are out to collect owner-drivers' money. How does that work? Please explain it to me? It is voluntary to join a union. You have to articulate a case to join a union and you have to ask them to sign a form and pay some money. There is no great big deal out there. There has not been a deal like that since I was a junior organiser—and there was a deal then, but we will not go into that.

The reality is this: we need to keep the Road Safety Remuneration Repeal Bill 2016 in place. I move:

At the end of the motion, add "and the bill be referred to the Rural and Regional Affairs and Transport Legislation Committee for inquiry and report by 2 May 2016".

That, I believe, will give us the opportunity to look at this in the cold, hard light of day, instead of in the political red haze that has descended on this chamber. It is a political red haze—with double-D this and that and the rest of it. This is too important. This is about people's lives, both the road users' lives and the owner-drivers' lives. It is about them getting a respectable return on their great investment. It is about people being safe on the roads, free from the fear of injury or accident. I commend the amendment to the Senate.

Senator XENOPHON (South Australia) (21:03): I note with dismay that the debate of the Road Safety Remuneration Repeal Bill 2016 will be gagged at 9.30 tonight. I thought it would be fair and reasonable that this bill be concluded some time tomorrow. That would give certainty to the sector.

Senator Lazarus interjecting—

Senator XENOPHON: Yes, but 24 hours, I think, would have been very clear. But I do not want to argue with Senator Lazarus about it. John Maynard-Keynes once said, 'When the facts change, I change my mind. What do you do?' Clearly, this tribunal, which I supported in good faith back in 2012, has turned into an unmitigated disaster. The payment order that was made a number of weeks ago is one that is completely unsustainable for this sector. I congratulate Senator Lazarus for his advocacy and Senator Madigan for his hard work in meeting with drivers in Ballarat a couple of weekends ago. He met with some 200 owner-operator drivers to hear what the problems are from the source.

When I supported this bill I was comforted in part by what then Senator Joyce, now Deputy Prime Minister Barnaby Joyce, said about the bill. He said that he did not think there was a causal relationship between remuneration and unsafe practices. He said:

Even if a causal connection between remuneration and unsafe practices is presumed to exist it does not follow that establishing higher minimum rates or prohibiting certain methods of payment will result in drivers changing their unsafe practices.

He went on to say that there ought to be fairness for drivers in relation to this, and he said:
Without labouring the point, we are not emphatically opposed to this. We oppose it, but we are not going to town on it.

Senator Williams, someone who has had a lot of the experience in this industry and who I have a lot of time for, when he spoke on this said:

… we do not have major problems with these bills but we do question whether they will be the silver bullet to prevent deaths. I hope they are. We will see how these bills perform when they are introduced.

He also said that they would not go to town in relation to these bills or die in a ditch with them. No-one anticipated how bad the tribunal would be in its implementation. By the order it made, it effectively put at risk the viability of every owner-operator driver in this nation, and that is why there is a great degree of urgency in dealing with these matters.

The problem is that even if the tribunal belatedly is going to suspend the orders that will not help all those owner-operator drivers who are not able to get finance, who have had contracts cancelled and who are unlikely to get new contracts put in place while the spectre of this tribunal making another bizarre decision hangs over them. That is the problem. This tribunal has to go. We need to start from scratch, and we need to do so in good faith. I note that the minister has talked about issues of consultation, and I do want to acknowledge the work of Tony Sheldon, who I have worked with constructively on a whole range of issues and particularly when the TWU raised some really genuine concerns on behalf of employees of Qantas. I have been very pleased to stand shoulder to shoulder with Tony Sheldon in relation to that.

What we have here is a piece of legislation that does not work—a piece of legislation with unintended consequences that have been catastrophic for this sector. The Contractor Driver Minimum Payments Road Safety Remuneration Order of 2016 shows you that this tribunal cannot be trusted in this sector. It is a tribunal that does not understand what happens in the real world with owner-operator drivers. Interestingly, two independent reports commissioned by the coalition government have shown that the RSRT is expensive and ineffective in achieving its aim—road safety. The PwC report dated January 2016, which I understand we saw only a few days ago, wrote that it considered 'the abolition of the System would result in significant net benefit to the community at large.' It also said that, in terms of stakeholder consultations with industry, there were limited research and conclusions as to the nature of the relationship between remuneration and road safety. More interestingly, there was a report by Jaguar Consulting back in April 2014, which we have only just seen, effectively, in the last few days. That 220-page report was scathing about the Road Safety Remuneration Tribunal and the system put in place. It said:

In sum, the evidence for the existence of linkages between remuneration levels and road safety performance is relatively limited, while there are difficulties in interpreting the specific nature and significance of any such links.

It goes on to say that this will not work in terms of safety. It was a scathing report and I do not understand why that report was not released publicly well before then. I do not know why the coalition did not release that 220-page report when it surfaced back in April 2014.

I want to acknowledge the work of the South Australian Road Transport Association's Steve Shearer, who has been a great source of fair advice. He has told me that SA Police tell him, and their interstate colleagues have the same view, that they need to focus on a small recalcitrant minority, which they put at five per cent or less, which includes repeat offenders...
or serious offenders, those getting it wrong all the time and the ones who get it badly wrong. They say that 95 per cent of the operators do the right thing. This is why heavy vehicle enforcement units in South Australia and their counterparts around the country use intelligence-led targeted enforcement against that small recalcitrant minority. Within that five per cent is compliance with fatigue laws—which includes waiting times—speeding and roadworthiness of trucks. All those issues are what the police are looking at. For any company getting it wrong with waiting times at distribution centres, whether it is the supermarket causing it or not, the police still deal with that issue with the truck operator.

It is fair to say that about five years ago there was a serious problem with waiting times at most distribution centres. Because of the work of the police and the industry itself, the waiting time problem at large distribution centres has been dramatically improved, and with that issues of fatigue. In South Australia's case, SARTA, the police and the department of transport have visited the distribution centres, explained their obligations and helped them to work out how to manage the arrival, loading and unloading of trucks to avoid these fatigue breaches. The tribunal was not instrumental in this. We have seen significant reforms and improvements in this area.

The Australian Trucking Association has said that if we want to get this right, if we want to have reforms, we need to have a mandatory code of practice to deal with a whole range of associated issues. I know that Senator Conroy does not have much time for the Australian Trucking Association, but the fact that they are prepared to have a mandatory code of conduct enforced by the ACCC to deal with issues of compliance, of fair remuneration and of unfair contracts is very significant. We need to have a mandatory code. Previously they were talking about only having a voluntary code. Minister Cash has made a commitment to deal with these issues. These are issues that will not go away.

The Australian Labor Party, the Australian Greens and those who oppose this legislation have every right to raise this matter right up until election day on 2 July, and I am committed in good faith to sit down with key stakeholders and deal with these issues, including a mandatory code, including additional resources for the heavy vehicle regulator, including dealing with those issues where we must do better. There are sham contracting arrangements, where we have heard that people through international treaties are allowed to be on our roads and drive heavy vehicles when there are real issues about their credentials to do so. That is something that I know Senator Sterle, as a lifelong member of the TWU, has raised. I agree with Senator Sterle—these issues need to be dealt with. But the tribunal has been an unmitigated disaster and that is why we must start from scratch, doing so in good faith with all the key stakeholders—with industry, with the unions, with the owner operators—so that we can get this right. The tribunal has been very destructive in this sector. Too many owner-operator drivers will go broke, too many of them will lose their livelihoods and their homes, unless we start from scratch. We need to do that by scrapping this tribunal and starting afresh.

**Senator WILLIAMS** (New South Wales) (21:13): On 16 March I made a speech during the time for senators' statements saying that this Road Safety Remuneration Tribunal order is wrong; it is very damaging to owner drivers. Some 35,000 of them will face huge financial burdens, loss of income and even bankruptcy. When the legislation came in in 2012 I was not overly critical of it because I was told by many that it was about Coles and Woolworths paying a fair rate to truckies. I always support small business, so I was not overly hard on it. I
did say to members of the Transport Workers Union that if they stacked that tribunal with union thugs we would rip it apart one day, and that is exactly what is happening. Jennifer Acton is on a huge salary of some $400,000-plus a year to be president of this tribunal—

Senator Brandis: What!

Senator WILLIAMS: Yes, $400,000-plus. The sheer arrogance of the tribunal—I spoke to Senator Sterle at the back of the chamber and I said: 'This order that comes in on 4 April must be delayed. People don't understand it; they don't know the ramifications; people are going to go broke; people are going to lose their jobs. They will probably lose their houses because their houses are mortgaged to buy their rigs.' We put an application in, thanks to Senator Cash, AiG, NatRoad, the Australian Livestock and Rural Transporters Association et cetera, to have this delayed.

Senator Singh interjecting—

Senator WILLIAMS: Even the Transport Workers Union put in a submission on the proposal to have the draft order delayed till 1 January next year and proposed to have it delayed till October this year.

Senator Singh: Why didn't you stick to your guns?

The ACTING DEPUTY PRESIDENT (Senator Edwards): Order!

Senator WILLIAMS: Even the TWU did it. What happened was that the tribunal, in its arrogance, said, 'No, it starts on 4 April.'

Senator Singh interjecting—

The ACTING DEPUTY PRESIDENT: Order!

Senator WILLIAMS: They would not even listen to the Transport Workers Union, let alone the owner-drivers—

Senator Singh interjecting—

The ACTING DEPUTY PRESIDENT: Order! Senator Singh, interjections are disorderly; you know that only too well.

Senator WILLIAMS: Thank you, Mr Acting Deputy President, I appreciate that. As I said on 16 March in this place, this order is going to send people broke. It is not about the rate they get for carting their main load. I gave the example of livestock transport. When they cart their main load, they might charge $4.50 a kilometre for a four-deck sheep crate with a load of about 400 sheep. They run home empty and the one-way rate they charge covers them to come home empty, so, if they get a backtrack, that is a bonus. I gave the example of bringing home a few rams. If you go 500 kilometres, you have to charge about $800 to bring 10 or 20 rams back on a backtrack, in one pen on the bottom deck. What would happen then is that the grazier who ordered the rams to be delivered would get a bill for about $800. That grazier would then go to his stock and station agent and say, 'What are you doing charging me $800?' There would be a hell of a blue as a result of that and the agent would say, 'This is this new order. The Road Safety Remuneration Tribunal has brought this on.' That truckie would then never get another job with that stock and station agent. It is simply unrealistic. It got even worse. If you took two-part loads, you had to charge the full rate for each part load. The backtrack was the problem. We have many examples. One truckie, Senator Lazarus, carts from Adelaide to Brisbane and gets a good rate and then loads up and goes from Brisbane right
through to Perth and gets a good rate, but he charges just $2½ thousand to go from Perth back to Adelaide. He was happy with that, but the order said that he had to be paid $6½ thousand for a part load to go from Perth back to Adelaide, so he lost his job. He had to run back empty. He did not get anything—he would be out of business. Here is the problem.

This was supposed to be all about safety. I can guarantee you that the owner-drivers are good, safe drivers. As I said to them yesterday, when they are going down a hill, they have the Jacobs engine brake on. They go back through the gearbox and use the engine to slow down so that their brakes are cool and are there for an emergency. They are not riding their brakes and wearing them out because the owner-driver has to replace them. If you drive for a big company and wear the brakes out, the company has to replace them. It is in the owner-driver's interest to look after and maintain their rigs, simply to save on costs.

When this bill came in, of course, there was a hung parliament in the other place. It was supported by the then member for New England, Mr Tony Windsor, who just let it go through, along with an independent member, Mr Andrew Wilkie, the Greens member, Mr Adam Bandt, and even the member for Kennedy, Mr Bob Katter. Let me talk about him. Mr Katter, a big supporter of the Road Safety Remuneration Tribunal, was paired during the vote on the bill. Mr Katter was not present—he often does not vote—but he supported the introduction of the Road Safety Remuneration Tribunal. Even recently, Mr Katter remained a staunch supporter of the RSRT. On 26 March 2015, Mr Katter held a joint press conference with the secretary of the Transport Workers Union, Mr Tony Sheldon, and signed on to the Transport Workers Union's campaign to maintain the Road Safety Remuneration Tribunal. I wonder if he ever thought that it would be sending people broke.

Just recently, I signed a letter with Senator Sterle to send to this tribunal because we saw truckies who were renewing their contracts and were going to get paid in 90 and 120 days. They were happy with the rate, but they would not get paid for three months. They had to pay their wages in seven days, their fuel bills in a month, their lease payments on their trucks and trailers in a month, and their tyre bills, maintenance bills, spare parts bills and service bills in a month, but they would not be paid for three months. We wrote to the tribunal and said, 'Why don't you make an order that all transport contractors be paid in a maximum of 30 days?' That would have been a good order. It is not the rate; it is getting paid on time—that is the big issue. They are happy with their cash flow and happy with their rate; they just want to be paid on time, which is only fair. Life is about fairness. But, of course, we never heard from the tribunal.

Returning to when we tried to delay this order, it was supported by the Transport Workers Union through to October and supported by everyone else to 1 January next year, and, in its arrogance, the tribunal said, 'No, it will start on 4 April.' So NatRoad went to the Federal Court in Brisbane on Saturday, 2 April, from memory, and had it delayed. Then, of course, along came the Transport Workers Union into the court the following week to have that injunction removed. So they did not want to delay it at all; they wanted to bring it straight in. I wish they were with us talking to the truckies, Senator Lazarus, over the last couple of days, including in Tamworth on Saturday, when we had a big gathering with the Minister for Agriculture and Water Resources, Barnaby Joyce, and others. Those people are really hurting.

The point is that we all want people to be paid fairly, whether they are an employee or a contract truckie or whatever. Life is about fairness, as I say, but this order meant that they...
could not get a backload. It was destroying them. They just were not getting the jobs. Some of these big companies that have contracts might say a contract was for $2,000 to bring a load back from Brisbane to Melbourne and they might have to pay more under this order. They were actually contracting in the long term and losing money when they paid the owner-drivers, so they were not going to use the owner-drivers. They would use their own drivers in those companies because the order does not apply to them. This is a crazy situation. Thank goodness for people like Mat Munro—I really appreciate Mat Munro; he does a magnificent job for the Australia Livestock and Rural Transporters Association; he briefed me on this more than a month ago; hence my speech then—and Bill McKinley from the ATA and NatRoad and those people who really put in to see that this bill gets through and the whole tribunal is thrown out, because it is simply hurting up to 35,000 small Aussie battlers. These are people in business who may mortgage their houses and who, if they do not get back to work, will lose their houses and have their rigs repossessed.

It will flow right on through the communities. Go out to any country town, big or small, and there is your livestock and grain carrier. And where does that carrier buy their fuel? From the local fuel agent. For the tyres, spare parts and servicing it is the same thing.

Even if you are in the game of selling new trucks, Mr Acting Deputy President Edwards—and I know a dealership down your way; in the last two weeks it has had 14 new prime movers either cancelled or put on hold. Four-and-a-half million dollars’ worth of sales of new trucks were cancelled or put on hold because of this order. What is that doing for the people employed in that business? I am not going to name them; I just respect them for giving me the information from South Australia.

That is why this order simply has to go. These people, these owner-drivers, work very hard. On the weekends they are there: greasing their rigs, looking after them, servicing them and seeing that the tyre pressures are right and the brakes are adjusted on the trailer. I did it all myself for many years. So it was good to actually get behind the wheel of a truck again this morning, to join the group and show my support, along with many, many of my colleagues—especially Minister Cash, who I think has done a magnificent job in handling this issue.

I express my gratitude to the crossbenchers for their open-mindedness on this issue. They can see how wrong and how bad this order is and what it is doing to small business.

I come back now to the tribunal itself. Why didn't they delay this? Why didn't they listen to the people from all sides? Even the Transport Workers Union wanted it delayed.

Senator Singh interjecting—

Senator WILLIAMS: Senator Singh, they wanted it delayed until October. That was their submission. You cannot deny that. And now you are trying to make a fuss about it because you are nearly to the death knock of this whole—

The PRESIDENT: Order! To the chair, Senator Williams.

Senator WILLIAMS: Certainly, Mr President.

Opposition senators interjecting—

The PRESIDENT: Senators on my left! Senator Williams, it would be better if you addressed your remarks directly to the chair and not to members on my left.
Senator WILLIAMS: I will certainly do that, Mr President. I will try and disregard those interjections, which are, of course, disorderly; I will just disregard them when they start yelling across the chamber at me.

That is what happened: everyone wanted the order to be delayed so people could actually see how bad it was; they wanted an understanding of it. But no—the tribunal would not do that. They would not listen to anyone. They just said, 'We have the supreme knowledge of the transport industry. The 35,000 owner-drivers—they don't know anything about transport; they don't know anything about maintaining their rigs or about being safe on the road; they are ignorant.' That is a disgusting attitude for that tribunal to have, and it will be very pleasing if, hopefully in the next 20 minutes, this tribunal is dead and buried, so people can get on with their jobs, go out and do what they do best—

Opposition senators interjecting—

The PRESIDENT: Order on my left.

Senator WILLIAMS: which is cart their grain and cart their cattle and keep our country going. That is what the truckies do—they literally carry our country.

Those opposite me who have been interjecting have probably never driven a semitrailer. They probably would not know what it was like. They probably would not know how to start a semitrailer, let alone drive one! They would not know how to hook the prime mover onto the trailer. Well, I did it for years. I am very proud of that. It was a good experience. So I talk with some experience, having done about a million kilometres in semitrailers myself, and I know there are others in the chamber who have done the same.

As to those complaining, I wonder if Senator Conroy, with 25 years in the Transport Workers Union, has ever driven a truck? Probably not! He probably sold plenty of union tickets for commission. It reminds me: remember the blue card? Let us go back to safety. When I first came to this place, they tried to bring in the blue card, Senator Brandis, where all the companies had to hold a blue card for safety reasons. They bought the blue card off Bluecard Australia, which was based in Western Australia, Senator Smith. Everyone had to pay money to Bluecard Australia, and guess what? They had links to the Transport Workers Union and fed money to the Transport Workers Union. Where did they feed the money then? They fed it to the Australian Labor Party to help their campaigns. That is what you think of tracking companies: 'We'll steal your money and we'll use your money for our campaigns.' That is what you tried to put through this chamber, and I was very glad to lead the abolition of the blue card.

Remember Senator Conroy having a go at me in the middle of the chamber? He said, 'Senator Williams, I'm the Transport Workers Union through and through,' and I said, 'Well, you'd better call Lifeline. They care. I don't.' And thank goodness the blue card was blown out of this place, thanks to Senator Xenophon and Senator Fielding at the time. This is what you are about: you are about bleeding money off the Aussie battlers to put in your union pocket to feed the money back to your campaigns come election time. It is not about safety. It is about the hundred million dollars you have had for the last 20 years from the union movement to fill your pockets for campaigns, which you are going to need on 2 July. But the Australian people will not be fooled. So that is what it is all about. It is not about safety.

Opposition senators interjecting—
The PRESIDENT: On my left! Order! Order on my left!

Senator WILLIAMS: Thank you, Mr President. It is getting quite rowdy, isn't it? So that is what this is all about: feed the union members; make the owner-drivers go broke; then they will go and get a job with a big company; they will be forced to join the Transport Workers Union and buy a ticket. And guess where the money from the ticket will go? It will go off to the Australian Labor Party to help with their state and federal campaigns. As I said, there was $100 million in 20 years from the union movement. Of course, it is not only the Labor Party; it feeds off to the Greens as well, Senate Rice. You get plenty from the CFMEU and that corrupt mob—a hundred of them on charges or in front of courts now from what they have done in bribery and blackmail in the building industry. So it is all: 'Let's look after the people who are siphoning the money off the hardworking Aussies and putting it in our pockets for our election campaigns.' That is what the Transport Workers Union is about. You've done your dash this time. And those owner-drivers who would have been members of the Transport Workers Union will be tearing their tickets up now. You will not suck them in again after you tried to cripple their livelihoods and have their rigs repossessed and reduce the value of their rigs and even have their houses taken off them if they went bankrupt. That is what you are about. It is not about safety. It is about filling your pockets for election campaigns. Well, you have been caught out.

Senator Conroy interjecting—

Senator WILLIAMS: It is the second time you have got caught out tonight, Senator Conroy. You got caught out when I was in the chair on a motion. So, with great pleasure—

Senator Brandis: He has had a very bad day, today, Senator Conroy.

Senator WILLIAMS: It has not been a good day for Senator Conroy—exactly! I take that interjection. It has been a very bad day for Senator Conroy! He is not having a good one at all.

The PRESIDENT: To the chair, Senator Williams.

Honourable senators interjecting—

The PRESIDENT: Order on both sides.

Senator WILLIAMS: So this order is wrong. It is damaging. It is crippling to our trucking industry and our owner-drivers. It is bad for our economy. It is bad for our country. It is bad for our country towns. It is bad for everyone. And hopefully, in about 10 minutes time, it will be dead and buried, and the tribunal after it, because of their arrogance where they would not delay the whole order. They brought it on themselves. And thank goodness the crossbenchers have supported us and common sense will prevail.

The PRESIDENT: The allotted time for the consideration of this bill has expired. The question is that the second reading amendment, on sheet 7906 moved by Senator Gallacher, be agreed to.

[The Senate divided. [21:34]

(The President—Senator Parry)

Ayes ....................32
Noes ....................36
Majority ...............4
Question negatived.

The PRESIDENT (21:37): The question now is that the bill be read a second time.
The Senate divided. [21:38]

(The President—Senator Parry)

Ayes ......................36
Noes ......................32
Majority ...............4

AYES

Abetz, E                           Back, CJ
Bernardi, C                        Birmingham, SJ
Brandis, GH                        Bushby, DC
Canavan, MJ                        Cash, MC
Colbeck, R                         Cormann, M
Day, RJ                            Edwards, S
Fawcett, DJ                        Fierravanti-Wells, C
Fifield, MP                        Johnston, D
Lambie, J                          Lazarus, GP
Leyonhjelm, DE                     Macdonald, ID
Madigan, JJ                        McGrath, J
McKenzie, B                        Nash, F
O'Sullivan, B                      Parry, S
Paterson, J                        Payne, MA
Reynolds, L                        Ryan, SM
Sculli, NJ                         Sinodinos, A
Smith, D (teller)                  Wang, Z
Williams, JR                       Xenophon, N
**AYES**

Bernardi, C  
Brandis, GH  
Canavan, MJ  
Colbeck, R  
Day, RJ  
Fawcett, DJ  
Fifield, MP  
Lambie, J  
Leyonhjelm, DE  
Madigan, JJ  
McKenzie, B  
O'Sullivan, B  
Paterson, J  
Reynolds, L  
Scullion, NG  
Smith, D (teller)  
Williams, JR  

**NOES**

Bilyk, CL  
Cameron, DN  
Conroy, SM  
Di Natale, R  
Gallacher, KR  
Ketter, CR  
Ludlam, S  
McAllister, J  
McKim, NJ  
Moore, CM  
O'Neill, DM  
Polley, H  
Rice, J  
Simms, RA  
Urquhart, AE  
Whish-Wilson, PS  

Question agreed to.  
Bill read a second time.  

**Third Reading**

**The PRESIDENT** (21:40): The question now is that the remaining stages of the bill be agreed to and the bill be now passed.  
The Senate divided. [21:41]  

(The President—Senator Parry)

Ayes .................. 36  
Noes .................. 32  
Majority .............. 4
AYES
Abetz, E
Bernardi, C
Brandis, GH
Canavan, MJ
Colbeck, R
Day, RJ
Fawcett, DJ
Fifield, MP
Lambie, J
Leyonhjelm, DE
Madigan, JJ
McKenzie, B
O’Sullivan, B
Paterson, J
Reynolds, L
Sculion, NG
Smith, D (teller)
Williams, JR

Back, CJ
Birmingham, SJ
Bushby, DC
Cash, MC
Cormann, M
Edwards, S
Fieravanti-Wells, C
Johnston, D
Lazarus, GP
Macdonald, ID
McGrath, J
Nash, F
Parry, S
Payne, MA
Ryan, SM
Sinodinos, A
Wang, Z
Xenophon, N

NOES
Bilyk, CL
Cameron, DN
Conroy, SM
Di Natale, R
Gallagher, KR
Ketter, CR
Ludlam, S
McAllister, J
McKim, NJ
Moore, CM
O’Neill, DM
Polley, H
Rice, J
Simms, RA
Urquhart, AE
Whish-Wilson, PS

Brown, CL
Carr, KJ
Dastyari, S
Gallacher, AM
Hanson-Young, SC
Lines, S
Ludwig, JW
McEwen, A (teller)
McLucas, J
Muir, R
Peris, N
Rhiannon, L
Siewert, R
Singh, LM
Waters, LJ
Wong, P

Question agreed to.
Bill read a third time.

GOVERNOR-GENERAL’S SPEECH

Address-in-Reply

Debate resumed on the motion:
That the following address in reply be agreed to.

To His Excellency the Governor-General

MAY IT PLEASE YOUR EXCELLENCE—
We, the Senate of the Commonwealth of Australia in Parliament assembled, desire to express our
loyalty to our Most Gracious Sovereign and to thank Your Excellency for the speech which you have
been pleased to address to Parliament.

Senator LINES (Western Australia) (21:44): I rise to respond to the address-in-reply to
the Governor-General’s speech, and I want to continue talking about the importance of the
Road Safety Remuneration Tribunal, which the government has seen fit, with the assistance
of some of the crossbenchers, to just abolish without giving a thought to the importance of
road safety in this country, to the thousands of lives that have been lost on our roads or to
anything except their desire to get rid of this tribunal. Despite the fact the government have
had three years to look at the tribunal, they have left this to the very last minute. In fact, it was
not even on the Notice Paper. It is something that they see as some kind of vote winner. There
is no doubt that the government has put politics into the issue of road safety, and it is just too
easy for the government to dismiss the Road Safety Remuneration Tribunal by claiming it is
some kind of pay-off to unions, just as they did in the early childhood sector, in the aged-care
sector and with cleaners employed by contractors who work in Commonwealth-owned
buildings, including the cleaners who work in this very building, the Parliament House of
Australia. They just dismiss good legislation out of hand because somehow unions have
agitated for change. It suits their anti-union agenda. But, just as they were wrong on cleaners,
wrong on aged-care workers and wrong on early childhood educators, they are wrong on this.
They are wrong to have abolished the Road Safety Remuneration Tribunal.

Yes, the union has pushed this. Members of the Transport Workers Union, including
owner-driver members, have fought long and hard to improve safety on our roads, particularly
for truck drivers, because that makes our roads safe for everyone. I have pages and pages of
road accidents—including, very sadly, fatalities—involving trucks: families who have lost
loved ones—mums, dads or children—families who have lost their livelihoods, and
individuals who have sustained horrific injuries. Last year I met two women from the
electorate of Forrest. One had lost her husband in a horrific truck accident, yet the
government gave no thought to women like her who have lost their husbands. She is not
bitter. She is not blaming the truck drivers, but she became a strong advocate for change, and
I can imagine how disappointed and how incredibly sad she will be tonight when she hears
that the Turnbull government has abolished the Road Safety Remuneration Tribunal. Of her
own volition, after attending the coronial inquest into her husband’s death, she has become an
activist—a leading advocate on the need for change and the need to make truck driving much
safer, which will ultimately improve roads for everybody.

Women like her are what the Transport Workers Union is talking about when it talks about
road safety. There is no doubt that the transport industry is highly competitive and, as in any
highly competitive industry, everyone is pushing to cut corners and reduce costs. But the
difference with the transport industry is that cutting corners and reducing costs leads to
deaths, and that is what the Transport Workers Union wanted to fix. That is what Labor
sought to do with the introduction of the Road Safety Remuneration Tribunal. We put a
tribunal in place that would finally take wages out of competition to set fair wages and make
the industry viable for everyone into the future. But instead, tonight and last week, all the
government did was to play politics with road safety.

Labor made it clear we were willing to sit down with the government and work through the
issues—to hear from the Transport Workers Union, from owner-drivers and from employees
to find a solution. But the government did not want to do that, because it is desperate for votes, and it played politics with this issue. There is no doubt about it: it played politics.

Debate interrupted.

**ADJOURNMENT**

The ACTING DEPUTY PRESIDENT (Senator Ketter) (21:50): Order! I propose the question:

That the Senate do now adjourn.

**Transport Industry**

Senator BACK (Western Australia) (21:50): I rise with pleasure to reflect on the decision of the Senate in the last few moments, voting 36 to 32, to abolish the Road Safety Remuneration Tribunal. What is this tribunal about? Well, the one thing we know it was not about was safety on roads. We know that already there is in place a National Heavy Vehicle Regulator, an instrumentality and a person highly respected in the industry. In fact, if the then Labor government under Ms Gillard as the Prime Minister had been more interested in safety, they would have been more interested in working through the Heavy Vehicle Regulator to be able to achieve what all of us in this place and in this country know to be a very high priority, and that is the highest level of safety on the roads.

But this is not related to safety at all, as has been eloquently stated by many people in this place and outside it. This was simply a barefaced attempt by the then Prime Minister, Ms Gillard, to pay back the labour unions that were supporting her in 2011 and to give them a tribunal which would force the end of owner-drivers—the 34,000 or 35,000 owner-drivers who are the backbone of the heavy transport industry in this country. They would have been forced into one of three circumstances: bankruptcy, becoming an employee of one of the larger companies, or having to themselves attempt to become a larger employer.

In an article recently, Ms Grace Collier eloquently gave the example of a small transport person moving livestock around rural areas, charging, for example, about $140 to $150 to pick up a load of sheep to take them to a market or bring them back from the market. As of 4 April, what we actually saw was a circumstance in which, by law, that man would not be charging about $170; he would have to charge about $740 as an owner-driver. What would the farmer do? He would dispense with his services. And do you know what the interesting thing would be if that farmer then engaged the services of a trucking company with a truck being driven by an employee? Do you know the sort of fee he would be charged? The original $174. Just try and explain that to me—somebody on the other side—how the person who has been doing those deliveries for that time for that price would now be having to charge some $700 when indeed the farmer could go to a trucking company with an employee driver. Where is the increase in safety in that exercise? Can someone explain to me how it is all of a sudden a lot more safe if the first guy now charges $740 rather than $170, but the employee—the employed driver—can charge the same figure as the original and he would be back in the game? All this was an attempt—as we eloquently learnt this morning when I participated in the rally and the transit of trucks from the showgrounds into Parliament House—at getting rid of owner-drivers: nothing more, nothing less and it was shameful.

We now have a wonderful situation, as somebody said this morning when he looked around that crowd. He said, 'I see people in this crowd who are day-to-day intense
competitors, but here they are today faced with the loss of their industry, the loss of their homes, the loss of their properties, the loss of their trucking and the loss of their businesses—they want to come together to improve the industry.' Let us do so. Let us use this new wave of enthusiasm and optimism across the industry to be able to achieve the increases we need.

People speak of safety in the industry and the best figures available to us are that some 85 per cent of major events or incidents involving trucks—accidents et cetera—are not the fault of the truck driver. Let us put that to one side for a moment in dispensing with this nonsense that this argument is about safety. Let us build on it. I was absolutely privileged this morning to be in the company of a Mr Ian Haig, a trucking contractor from Tongala and Wagga, and also to meet a Mr and Mrs Baker. They were absolutely full of the information that they were able to give me. And I said to them, 'How do we improve safety standards, because they are so important?' They said to me, 'This is the point, Chris: first of all, in many instances the trucking companies now use contractors to undertake their maintenance.' I asked the question: is it not possible to have a licensing system in place so that those service companies—the maintenance companies charged with responsibility of maintaining those trucks—are not themselves licenced and are the subject of independent audit to make sure that the standards are so high that when a truck comes out of their maintenance facility it is ready to go on the roads and it is safe? It was suggested to the industry the other day that the trucking companies and the owner operators should in fact be going over their own trucks after they have been the subject of a $150 per hour servicing, just to check it. That is not what we should be doing. And secondly, as a part of that, we know that we have a very high level of regulation but the drivers will tell you that those of them who are out on the roads, the inspectors, are often not focusing on where the important areas are. They are not focusing, for example, on driver behaviour. They are not focusing on log books. Put those inspectors into the maintenance facilities on ad hoc and changing bases so you do not get the friendships between the service organisation and the inspectors and have those inspectors make sure the maintenance operators are in fact doing the work that is required.

We have a circumstance with log books: this morning when I jumped in the truck at half past five, quarter to six, the fellow spent the first five minutes filling in bits of paper on a spreadsheet. I said, 'What are you doing?' He said, 'That is my log book.' He tried to tell me what he was doing; he was trying to explain. I said, 'And why isn't all this being done electronically?' We know when we go to a restaurant now the attendant takes our order on a small laptop or an iPad. Why in heaven's name are we using something as antiquated as an old pen and paper system with logbooks?

We do not want drivers driving when they are too tired. I speak as a fleet owner when I had a fuel industry business in Tasmania. I brought the first fuel industry B-double—a 60,000 litre B-double, rigid and quad dog combination—into that state. How interested do you think I was in safety? How interested do you think I was to make sure that my trucks, my drivers, my maintenance, my tyres were at the absolute highest level? That is what the industry wants and that is the direction in which we need to be going.

It is such a shame that we have had the vitriol and the arguments that we have had in this place, because had the Senate not bravely made the decision that it did tonight—and I thank those on the crossbench for joining the government—we were going to end up in this country with eight or nine large trucking companies, and at that point of course the customer base
would be at the mercy of those organisations. I also refer to a statement today by the head of transport for the Toll organisation in the *Australian Financial Review* in which he made the point that they are the largest logistics transport company in this country. The points he made were interesting: first of all, safety is at the absolute top of their priorities; secondly, he wants to see the abolition of this tribunal; and, thirdly, he wants to see a continuation of viable owner operators in the business. He was also saying the opportunity is there for the entire industry to come together.

I am privileged to be able to have access to the services of my friend and colleague Mr John Mitchell from Mitchell's Livestock Transport in Western Australia. He is an innovator. He is a person who has designed and has on the roads in Western Australia innovative vehicles for the purposes of livestock transport. He is a person who has been here in Parliament House. I have had him speaking to ministers and to others with his ideas about how we improve effectiveness, efficiency and productivity in the heavy transport industry. He said to me, 'Chris, the opportunity now exists for us to broaden our horizons, to come up with a model involving industry, involving operators, involving regulators, involving inspectors, involving unions, involving drivers.' Let us use this opportunity that we have been given tonight, in the climate of the exercises undertaken in the last few days by owner-operators who have been pushed so far to the back of the wall that it is already causing family discord—and we understand, in fact, that even a suicide or more has occurred as a result of this. My final reflection is on the fact that even the TWU said to Ms Gillard in 2011, 'We want to see some industry people on this tribunal,' and she said no. And more recently, the TWU said to the tribunal, 'Let us defer this until next year.' The tribunal said no. They deserve what they have got.

**Innovation**

**Senator POLLEY** (Tasmania) (21:59): I rise to speak this evening about the Turnbull government's hollow words and inaction on innovation. The Turnbull government is all talk and no action on innovation. When it comes to innovation, the Turnbull government has been a big disappointment. It has cut $30 billion out of schools and dumped the Gonski reforms, it has botched the rollout of the NBN, it has backed cuts to CSIRO and it has underfunded Australia's innovation activity. If Mr Turnbull really wants to be taken seriously on innovation, he needs to do a lot better than the overhyped innovation statement last December and his glossy 'Ideas Boom' ad campaign that is costing us more than $28 million.

Labor has always understood that innovation should be a national economic priority and that innovation is not something that just occurs in our capital cities. That is why it was with great delight that I was able to visit some excellent start-ups with shadow parliamentary secretary for digital innovation and start-ups, Ed Husic, in Launceston last week. I would like to thank Launceston's Foundry, Macquarie House Innovation Hub, the Innovation Circle, Bitlink and Definium Technologies for meeting with us. Launceston is leading the way in this space, and Tasmania has a bright future with these great creators. The vibe and energy of these local organisations and world leaders was catching. They are proof that there is no point talking about innovation without talking about Tasmania. If we are going to have a national conversation, we cannot have that conversation without talking about Tasmania. We have so much to contribute to this area. Labor believes that government has a vital role to play in encouraging the spread of innovation activities across the country, and Tasmania has a big
part to play in that effort. If we are not involving our regions in our push to be smarter and more innovative then we are selling ourselves short.

The fact is that, if you are not investing in education, you cannot be serious about innovation. If we do not get the basics right in our schools, colleges and universities, we cannot aspire to a future that is smart, innovative or agile. It was also good to meet with the colleges in Tasmania last week who are getting it right and investing in this space and building digital technologies into their curriculum. You cannot have innovation without having a strong education system, and, when it comes to our schools, the government's policies on education risk dragging Australia's innovation capacities backwards. If Malcolm Turnbull were really serious about innovation and skills—

The PRESIDENT: Prime Minister Turnbull.

Senator POLLEY: he would keep the Gonski reforms, reverse Tony Abbott's school cuts and drop his $100,000 degrees—but he has not changed a thing. He is still using that as his priority when it comes to education. Mr Turnbull is pretending to be the innovation Prime Minister when in fact he is vandalising the education system in this country. He has failed to outline to young Australians where the jobs of the future are coming from and the pathway to get there. That is the most important point. We have to build that pathway to innovation. That is the future for our young people.

We cannot have innovation without being digitally ready. The world is changing faster than most of us realise. Our economy, along with the types of jobs Australians have, is rapidly changing. In fact, the jobs that our young people are now training for will not be there in a decade or less. We have to be a lot more nimble, we have to be a lot more agile and we have to be innovative.

Senator Colbeck: Stop stealing Malcolm's words!

Senator POLLEY: The jobs and opportunities of the future are not going to create themselves. They must be built on strong digital and innovation infrastructure and with the technical skills of our people. This is why Labor planned and started construction of the NBN and announced we would invest in STEM skills in our schools and introduce computer coding into our national curriculum. I am surprised that the government members on the other side would want to interject when we are talking about the NBN. I would have thought the senator from Western Australia would know and understand the value of the NBN to his community.

Senator Smith interjecting—

Senator Colbeck interjecting—

Senator POLLEY: I know that the Minister for Tourism and International Education is still a bit sore about being relegated to the fifth position on the Senate ticket, but he of all people should be fully aware of how important the NBN is to the Tasmanian economy. As the minister for tourism, he should be embracing the rollout of the NBN. He should be urging his Prime Minister to get into the 21st century. He was very agile and nimble when it came to knifing Mr Abbott, but he has not been as nimble or as agile or as innovative when it is about bringing the NBN into his state.

Senator Colbeck: Have you any idea what you are talking about? Stick to the script.
Senator POLLEY: We know that this is the reality of it. If I were you, Senator, I would be more worried about where your colleagues believe that you should be on your Senate ticket.

The PRESIDENT: To the chair, Senator Polley.

Senator POLLEY: A minister being relegated to the fifth position is not a good place to be.

This is why Labor planned and started the construction of the NBN and announced we would invest in STEM skills in our schools and introduce computer coding into our national curriculum. Access to the real NBN is the key to unlocking the potential, particularly in our rural and regional areas.

When it comes to innovation, the Turnbull government has been a big disappointment to Tasmania. It has failed to properly support schools, botched the rollout of the NBN and continued to cut jobs at the CSIRO.

Senator Colbeck interjecting—

Senator POLLEY: As a Tasmanian in this chamber, I would be hanging my head in shame if I were the minister for tourism who has failed to ensure that his industry is equipped with the fastest NBN that we can have. He has failed.

Mr Turnbull has had one job in the last 2½ years, and that is to build the NBN, and he has made a mess of it, just as he has of the leadership of his party. Also, everything he promised he would do on the NBN he has failed to deliver. The cost has doubled, it is going to take twice as long to roll out and the cost of fixing the copper that makes Malcolm Turnbull's second-rate NBN work has blown out by more than 1,000 per cent. Almost three years ago Mr Turnbull promised that his second-rate NBN would reach every home in Tasmania by the end of this year. Failed, failed, failed. But now we will be lucky to have it by the end of the decade, and we are at risk of being left behind. One thing is for sure, there has never been a better time to have a poor and inefficient NBN connection with slow internet speeds under this government.

Mr Turnbull is right when he talks about the importance of innovation and skills to Australia's future. Words, however, do not mean much without action. Mr Turnbull is creating a name for himself by saying one thing today and doing something else tomorrow. In fact, when it comes to education, action on climate change and economic leadership, he has failed on all accounts. I have given up trying to work out what Mr Turnbull actually thinks. Quite frankly, a thought that he has in the morning will almost inevitably be gone by night.

The reality is that for two years he was a member of the Abbott cabinet that deliberately and systematically tore down the architecture Labor had built to support our national innovation system. He supported every measure in Joe Hockey's disastrous 2014 budget, which cut investment in science, research and innovation by $3 billion. He voted for cuts to the R&D tax incentive—three times. He oversaw the demise of Australia's world-class ICT research agency. And of course has failed dismally in delivering the innovation infrastructure of the future—the NBN.

Unlike the Turnbull government, the Labor opposition team led by Bill Shorten has announced a raft of meaningful policies to back the innovation and creativity of Australians wherever they live. We have consistently advocated a greater national effort in innovation.
We recognise that innovation has no boundaries, but we must include regional and rural Australia as much as our big cities because we cannot be innovative and expect that all of that will happen out of Melbourne or Sydney.

We opposed the Liberals' reckless cuts to innovation and, of course, fought every step of the way against the Liberals unfair and unnecessary plan for $100,000 degrees, their cuts to TAFE and apprenticeships and their schools funding cuts. We have been consistently talking about the need to invest in education, in science and in research and innovation. We have a proud record in building Australia's national innovation system. In opposition, we put forward a number of policies to advance Australia beyond the mining boom by investing in our greatest resource—the creativity and capacity of our people. That is something that the current government have failed to do. This is an unfair, unimaginative and certainly not a very nimble government. (Time expired)

**Australian Greens: South Australia**

**Senator SIMMS** (South Australia) (22:10): I rise to speak about the Greens positive vision for South Australia, something I know is going to be of significant importance to the people of my home state in coming weeks and months. One of the critical issues facing South Australia is jobs. In recent months, I have had an opportunity to travel to regional South Australia. I have been to Whyalla, Port Augusta and Port Pirie and spoken to people within those local communities. It is clear that jobs are a significant challenge facing my home state, particularly in Port Augusta and Whyalla. In Whyalla, we are seeing the potential demise of the steel industry with the struggles faced by Arrium, a significant employer of people in that community.

I had the opportunity to travel to Whyalla for a Senate inquiry just two weeks ago and it was very clear to me that members of that community have been concerned about the impact of Liberal and Labor economic policies over many, many years. They want to see a clear policy framework in place that will favour local procurement and Australian made steel, and they are really concerned about things like free trade agreements and the TPP, which is selling off and selling out our national interest. Of course, we have a two-party consensus on that policy and the Greens are the voice of reason in this debate, standing up here in this place for the interests of South Australian jobs and the jobs of all Australians.

The Greens are a party that are going to be talking about jobs in the lead-up to this federal election. The Greens vision for South Australia is one that will make the most of our state's skills in manufacturing and create new jobs for the future. We know that as we transition away from coal and carbon, we can create new jobs for the future in green innovation and renewable energy. We should harness the skills of our state's manufacturing industry and lead the way with the development of new technologies, cutting-edge renewables, light rail and electric cars.

Just last week, it was a great privilege to have the Leader of the Australian Greens, Senator Richard Di Natale, join Senator Sarah Hanson-Young and myself to announce the Greens' South Australian component of our national Renew Australia policy platform. As part of that plan, we are proposing to move to 90 per cent renewable energy by 2030, a plan that would create huge amounts of jobs across our nation. For South Australia, we have a plan to move to 100 per cent renewables by 2030, something that would create a thousand new jobs in construction, advanced manufacturing and renewable energy—something we desperately
need in South Australia at the moment. So we can build on our foundation in renewable energy and our skills in that regard, we would boost funding for the Clean Energy Cooperation and encourage greater investment in this area.

The Greens also have a vision to harness the skills of our automotive industry and the people working in manufacturing of cars. I mentioned before the jobs crisis faced in South Australia, and we are seeing the closure of Holden also coming down the line. My colleague Senator Janet Rice and I had a bill before the Senate to create a green car transformation scheme that would provide government assistance to kick-start an electric car industry in South Australia and Victoria. Our vision is to see electric cars built here in Australia and for every electric car around the world to have a component that is made in Australia. Of course South Australia is a big part of that and the Greens are advocating for that.

South Australia also has a reputation for clean, green, fresh food and local produce. We might be the driest state in the driest continent but we have had to be very smart with water use. From tomatoes grown in the desert in recycled water to state-of-the-art irrigation in our wine regions, we are pioneers in new, sustainable agriculture. As the climate changes and more regions are going to have to come to terms with the need for sensible water use, there is an opportunity for South Australia to be a leader in sustainable agriculture, and the Greens have a plan to make that happen.

We are also a party that has a plan to build a reputation for our state as a leader in creativity. South Australia also has a reputation for excellence in education but, without appropriate government investment, we risk falling behind. It is appropriate that we have the education minister, a fellow South Australian, who unfortunately has a vision for higher education in this country that seems to be more about ripping away money and shifting the cost burden onto students than it is about trying to invest in the future and future education.

The minister may not remember what his HECS debt is, but I can tell you: I know what mine is. I am sure that many young people in this country know what their HECS debt is and many more will be ruing the day that Malcolm Turnbull and the Liberal Party returned to government in this country with their agenda for deregulation. What we are seeing from this Liberal Party is a continuation of the same policy agenda we saw under Tony Abbott: slashing funding for universities, deregulating the university sector and pricing people out of university. We know that that is an agenda that is bad for jobs in South Australia, because we need a highly-skilled workforce and we need world-class universities that are appropriately funded. The Greens have a vision to make that happen.

We also oppose the slashing of student scholarships that are so critical to supporting young people from disadvantaged backgrounds. When Labor sided with the Liberal Party to rush through on the last day of sitting last year, it was the Greens who stood up and fought for those scholarships, and we are going to continue to fight for the right of students to get access to that critical support. The Greens are committed to helping every student reach their full potential by ensuring that they get the support that they need and that means access to a university system that is affordable.

As more and more people move to our cities, we also need to look at creative solutions and new ideas to make sure that our cities are exciting places. We have a proud legacy of taking strong and progressive positions on social issues and advocating for positive social change in this country.
We also have a vision to support the arts in South Australia, and Don Dunstan, a Labor premier and a great South Australian in my view, built a strong reputation for my home state as a leader in the arts. He did that by ensuring that there was a living wage for artists and ensuring that he supported local artists in South Australia. We need to do that again, and the Greens have a plan to do that. But we also support an independent arts council and one that is appropriately resourced by government without government and ministerial interference, and the Greens have been fighting for that.

We also have a vision to make South Australia a leader in social justice. South Australia has a really proud legacy as a leader of social change in this country—the first state in the country to decriminalise homosexuality and the first state in the nation to have an anti-discrimination act. We have been a leader in that field and South Australia can continue to lead in the area of social change yet again by showing compassion to asylum seekers, supporting rights for the LGBTI community and recognising the sovereignty of Aboriginal people. The Greens have a plan to do that.

So the Greens have a plan for the future of South Australia. It is a positive plan for the future of my home state, and I look forward to talking to the people of South Australia about that plan in the coming weeks. Our plan for job creation is in stark contrast to that of the people sitting opposite me on the government benches, because it is very clear to me that the only jobs the Liberals are interested in are their own. That is what today has been all about: protecting their own jobs and rushing to the polls. Bring it on. We welcome the opportunity to talk about our positive plan. (Time expired)

Senate adjourned at 22:20

DOCUMENTS

Tabling

The following documents were tabled by the Clerk pursuant to statute:

[Legislative instruments are identified by a Federal Register of Legislation (FRL) number. An explanatory statement is tabled with an instrument unless otherwise indicated by an asterisk.]

Aged Care Act 1997—

Aged Care (Conditions of Allocation) Determination 2016 [F2016L00355].

Aged Care (Conditions of Allocation Instruments) Repeal Determination 2016 [F2016L00356].

Aged Care (Subsidy, Fees and Payments) Amendment (March 2016 Indexation and Other Measures) Determination 2016 [F2016L00349].

Aged Care (Transitional Provisions) Act 1997—


Agricultural and Veterinary Chemicals Code Act 1994—Agricultural and Veterinary Chemicals Code Instrument No. 4 (MRL Standard) Amendment Instrument 2016 (No. 4) [F2016L00476].


Australian Communications and Media Authority Act 2005 and Radiocommunications Act 1992—
Radiocommunications (Qualified Operators) Consequential Amendments Instrument 2016 (No. 1) [F2016L00378].

Australian Film, Television and Radio School Act 1973—Determination of Degrees, Diplomas and Certificates No. 2016/1 [F2016L00477].


Bankruptcy Act 1966—Bankruptcy Amendment (Rules of Court) Regulation 2016 [F2016L00431].

Broadcasting Services Act 1992—
Broadcasting Services (Australian Content) Standard 2016 [F2016L00392].
Broadcasting Services Clarification Notice 2016 [F2016L00366].
Broadcasting Services (Events) Notice (No. 1) 2010—
Amendment No. 4 of 2016 [F2016L00348].
Amendment No. 5 of 2016 [F2016L00485].

Carbon Credits (Carbon Farming Initiative) Act 2011—
Carbon Credits (Carbon Farming Initiative—Facilities and Minor Corrections) Methodology Determination Variation 2016 [F2016L00363].
Carbon Credits (Carbon Farming Initiative) (Human-Induced Regeneration of a Permanent Even-Aged Native Forest—1.1) Methodology Determination Variation 2016 [F2016L00361].

Civil Aviation Act 1988—
Civil Aviation Regulations 1988—
Authorisation and permission — helicopter winching operations—CASA 33/16 [F2016L00463].
Direction — flight time limitations for helicopter mustering operations—CASA 37/16 [F2016L00505].
Instructions — use of Global Navigation Satellite System (GNSS)—CASA 27/16 [F2016L00475].

Civil Aviation Safety Regulations 1998—
Engine Flameouts – Revised Operating Technique and Modifications—AD/B737/16 Amdt 4 [F2016L00389].
Exemption — display of markings—CASA EX46/16 [F2016L00364].
Exemption — for seaplanes—CASA EX57/16 [F2016L00466].
Exemption — from certain prerequisites for an ATPL flight test—CASA EX222/15 [F2016L000015]—Replacement explanatory statement.
Exemption — from requirement to carry serviceable ADS-B transmitting equipment when operating in defined airspace—CASA EX53/16 [F2016L00465].
Exemption — from the flight instructor rating flight test—CASA EX218/15 [F2015L02115]—Replacement explanatory statement.
Exemption — from the spinning FAE—CASA EX214/15 [F2015L02097]—Replacement explanatory statement.

Exemption — Grade 3, 2 or 1 training endorsement (aeroplane) flight test—CASA EX219/15 [F2015L02117]—Replacement explanatory statement.

Exemption — operating in vicinity of non-controlled aerodrome, VHF radio broadcasts and maintaining a listening watch—CASA EX60/16 [F2016L00491].

Exemption — requirement to obtain a pass in an instrument rating theory examination—CASA EX24/16 [F2016L00458].

Maintenance of Cockpit Voice Recording Systems—AD/REC/1 Amdt 4 [F2016L00369].

Manual of Standards Part 66 Amendment Instrument 2016 (No. 2) [F2016L00390].

Periodic Testing of ATC Transponders—AD/RAD/47 Amdt 4 [F2016L00368].

Repeal of Airworthiness Directives—
CASA ADCX 004/16 [F2016L00330].
CASA ADCX 005/16 [F2016L00362].
CASA ADCX 006/16 [F2016L00467].
CASA ADCX 007/16 [F2016L00391].
CASA ADCX 008/16 [F2016L00484].


Competition and Consumer Act 2010—Consumer Protection Notice No. 3 of 2016 – Imposition of Interim Ban on Hoverboards that do not meet Specific Safety Requirements [F2016L00357].

Corporations Act 2001—

ASIC Corporations (Amendment and Repeal) Instrument 2016/182 [F2016L00453].

ASIC Corporations (Debenture Prospectuses) Instrument 2016/75 [F2016L00343].


ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 [F2016L00327].


ASIC Corporations (Exposure Period) Instrument 2016/74 [F2016L00347].

ASIC Corporations (Foreign Licensees and ADIs) Instrument 2016/186 [F2016L00451].

ASIC Corporations (Generic Calculators) Instrument 2016/207 [F2016L00438].

ASIC Corporations (Minimum Subscription and Quotation Conditions) Instrument 2016/70 [F2016L00328].


ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 [F2016L00334].
ASIC Corporations (Offer Information Statements) Instrument 2016/76 [F2016L00344].
ASIC Corporations (Offers of Convertibles) Instrument 2016/83 [F2016L00333].
ASIC Corporations (Repeal) Instrument 2016/171 [F2016L00335].
ASIC Corporations (Repeal) Instrument 2016/212 [F2016L00370].
ASIC Corporations (Repeal) Instrument 2016/230 [F2016L00434].
ASIC Corporations (Repeal) Instrument 2016/273 [F2016L00459].
ASIC Corporations (Sale Offers By Controllers) Instrument 2016/81 [F2016L00331].
ASIC Corporations (Securitisation Special Purpose Vehicles) Instrument 2016/272 [F2016L00457].
Defence Act 1903—
Section 58B—
Bonus application forms – amendment—Defence Determination 2016/7.
Post indexes – amendment—Defence Determination 2016/12 [F2016L00427].
Section 58H—
Salaries – Armoured Corps – Amendment—Defence Force Remuneration Tribunal Determination No. 4 of 2016.
Woomera Prohibited Area Rule 2014—
Determination of Exclusion Periods for Amber Zone 1 and Amber Zone 2 for Financial Year 2016-2017 [F2016L00428].
Environment Protection and Biodiversity Conservation Act 1999—
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PAYG Withholding Variation: Insurance and Compensation [F2016L00433].
PAYG Withholding Variation: Labour Hire reimbursements and allowances [F2016L00436].
PAYG Withholding Variation: Performing Artists [F2016L00435].
PAYG Withholding Variation: Variation of amount to be withheld from indigenous artists when an ABN is not provided [F2016L00358].
Telecommunications Act 1997—
Telecommunications Numbering Plan Variation 2016 (No. 1) [F2016L00354].
Work Health and Safety Act 2011—
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Work Health and Safety (How to Manage and Control Asbestos in the Workplace) Code of Practice 2015 [F2016L00423].
Work Health and Safety (How to Safely Remove Asbestos) Code of Practice 2015 [F2016L00418].
Work Health and Safety (Managing the Risk of Falls at Workplaces) Code of Practice 2015 [F2016L00425].

Pursuant to subsection 42(3) of the Legislation Act 2003, the following instrument was taken to have been tabled on 18 April 2016:

Tabling

The following documents were tabled pursuant to standing order 61(1)(b):
[Documents presented since the last sitting of the Senate, pursuant to standing order 166, were authorised for publication on the dates indicated]

Australian Competition and Consumer Commission (ACCC)—
Telstra’s structural separation undertaking—Report for 2014-15. [Received 14 April 2016]
Crimes Act 1914—Report for 2014-15 on the Ombudsman’s activities in monitoring controlled operations conducted by the Australian Commission for Law Enforcement Integrity, the Australian Crime Commission and the Australian Federal Police. [Received 15 April 2016]

Environment—Tasmanian Wilderness World Heritage Area—Impact of fires—Letter to the President of the Senate from the Minister for the Environment (Mr Hunt), dated 15 March 2016, responding to the resolution of the Senate of 2 February 2016.

Environment and Communications References Committee—Report—Management of the Great Barrier Reef—Government response, dated April 2016. [Received 14 April 2016]

Family and community services—International Day of People with Disability—Letters to the President of the Senate from—

New South Wales Minister for Disability Services (Mr Ajaka), dated 22 March 2016, responding to the resolution of the Senate of 2 February 2016.

Queensland Minister for Disability Services (Ms O’Rourke), dated 23 March 2016, responding to the resolution of the Senate of 2 February 2016.

South Australian Minister for Disabilities (Ms Vlahos), dated 14 March 2016, responding to the resolution of the Senate of 2 February 2016.

Foreign Affairs, Defence and Trade—Joint Standing Committee—Report—Partnering for the greater good: The role of the private sector in promoting economic growth and reducing poverty in the Indo-Pacific region—Government response, dated 20 January 2016. [Received 31 March 2016]

Foreign Affairs, Defence and Trade References Committee—

China-Australia Free Trade Agreement—Report—Government response. [Received 8 April 2016]

Inquiry into firefighting foam contamination: Part A – RAAF Base Williamtown—Report—Government response, dated April 2016. [Received 15 April 2016]

Foreign Investment Review Board—Report for 2014-15. [Received 12 April 2016]

Indexed lists of departmental and agency files for the period 1 July to 31 December 2015—Statements of compliance pursuant to the order of the Senate of 30 May 1996, as amended—

Department of Defence. [Received 21 March 2016]

Department of the Prime Minister and Cabinet. [Received 4 April 2016]

Industry, Innovation and Science portfolio. [Received 21 March 2016]

Treasury portfolio. [Received 21 March 2016]

Migration Act 1958—Section 486O—Assessment of detention arrangements—Personal identifiers 1001352-O, 1002200, 1002207, 1002253, 1002266, 1002274, 1002346, 1002518, 1002587, 1002636, 1002655, 1002683, 1002725, 1002849, 1002900, 1002924, 1003130, 1003132, 1003136, 1003159, 1003183, 1003188, 1003194, 1003195, 1003196, 1003212, 1003219, 1003220, 1003223, 1003224, 1003238, 1003344, 1003377, 1003406, 1003435, 1003438, 1003446, 1003471, 1003474 and 1003493—

Commonwealth Ombudsman’s reports—Report no. 6 of 2016. [Received 15 April 2016]

Government response to Ombudsman’s reports, dated 13 April 2016. [Received 15 April 2016]

Outback Stores Pty Ltd—Report for 2014-15. [Received 15 April 2016]

National Health and Medical Research Council (NHMRC)—NHMRC Licensing Committee—Report on the operation of the Research Involving Human Embryos Act 2002 for the period 1 March to 31 August 2015. [Received 30 March 2016]

Orders for production of documents—Documents: The following documents received on 31 March 2016 were tabled:
Science and technology—CSIRO Oceans and Atmosphere division—Restructure—Letter to the President of the Senate from the Cabinet Secretary (Senator Sinodinos), dated 31 March 2016, responding to orders of the Senate of 16 March 2016 and raising public interest immunity claims, and attachments.

**Tabling**

**DOCUMENTS PRESENTED OUT OF SITTING SINCE 17 MARCH 2016**

**Government documents** (pursuant to Senate standing order 166)

6 National Health and Medical Research Council (NHMRC)—NHMRC Licensing Committee—Report on the operation of the Research Involving Human Embryos Act 2002 for the period 1 March 2015 to 31 August 2015. [Received 30 March 2016]

7 Foreign Investment Review Board—Report for 2014-15. [Received 12 April 2016]

8 Australian Competition and Consumer Commission—Telstra's structural separation undertaking—Report for 2014-15. [Received 14 April 2016]

9 Crimes Act 1914—Report for 2014-15 on the Ombudsman's activities in monitoring controlled operations conducted by the Australian Commission for Law Enforcement Integrity, Australian Crime Commission and the Australian Federal Police. [Received 15 April 2016]

10 Migration Act 1958—Section 486O—Assessment of detention arrangements—Personal identifiers 1001352-O, 1002200, 1002207, 1002253, 1002266, 1002274, 1002346, 1002518, 1002587, 1002636, 1002655, 1002683, 1002725, 1002849, 1002900, 1002924, 1003122, 1003130, 1003132, 1003159, 1003183, 1003188, 1003194, 1003195, 1003212, 1003219, 1003220, 1003223, 1003224, 1003238, 1003344, 1003377, 1003406, 1003435, 1003438, 1003446, 1003471, 1003474 and 1003493—Commonwealth Ombudsman's reports. [Received 15 April 2016]

11 Migration Act 1958—Section 486O—Assessment of detention arrangements—Personal identifiers 1001352-O, 1002200, 1002207, 1002253, 1002266, 1002274, 1002346, 1002518, 1002587, 1002636, 1002655, 1002683, 1002725, 1002849, 1002900, 1002924, 1003122, 1003130, 1003132, 1003159, 1003183, 1003188, 1003194, 1003195, 1003212, 1003219, 1003220, 1003223, 1003224, 1003238, 1003344, 1003377, 1003406, 1003435, 1003438, 1003446, 1003471, 1003474 and 1003493—Government response to Ombudsman's reports, dated 13 April 2016. [Received 15 April 2016]

12 Outback Stores Pty Ltd—Report for 2014-15. [Received 15 April 2016]

**Return to order** (pursuant to Senate standing order 166)

13 Science and Technology—CSIRO Oceans and Atmosphere division—Restructure—Letter to the President of the Senate from the Cabinet Secretary (Senator Sinodinos), dated 31 March 2016, responding to orders of the Senate of 16 March 2016 and raising public interest immunity claims, and attachments. [Received 31 March 2016]

**Statements of compliance with Senate orders** (pursuant to Senate standing order 166)

14 Indexed lists of departmental and agency files (continuing order of the Senate of 30 May 1996, as amended)

- Department of Defence. [Received 21 March 2016]
- Department of the Prime Minister and Cabinet. [Received 4 April 2016]
- Industry, Innovation and Science portfolio. [Received 21 March 2016]
- Treasury portfolio. [Received 21 March 2016]
Committee reports pursuant to selection of Bills Committee reports—not available for consideration (pursuant to Senate standing order 38(7))

[reports will be recorded in the Journals of the Senate]

15 Education and Employment Legislation Committee—Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2015 [Provisions]—Report, dated April 2016, Hansard record of proceedings, documents presented to the committee, additional information and submissions. [Received 4 April 2016]

Committee reports (pursuant to Senate standing order 38(7))

[reports and responses will be recorded in the Journals of the Senate and available for consideration on Tuesday under standing order 62(4)]

16 Economics References Committee—Report—Cooperative, mutual and member-owned firms—Corrigendum. [Received 22 March 2016]

17 Murray-Darling Basin Plan—Select Committee—Report—Refreshing the Plan—Corrigendum. [Received 22 March 2016]

18 Economics References Committee—Report—Bauxite resources near Aurukun in Cape York—Interim report, dated 24 March 2016. [Received 24 March 2016]

19 Foreign Affairs, Defence and Trade Legislation Committee—2015-16 additional estimates—Report, dated March 2016, Hansard record of proceedings and additional information. [Received 24 March 2016]

20 Environment and Communications References Committee—Environmental, social and economic impacts of large-capacity fishing vessels commonly known as ‘Supertrawlers’ operating in Australia's Marine Jurisdiction—Interim report, dated 31 March 2016. [Received 31 March 2016]

21 Environment and Communications References Committee—Threat of marine plastic pollution in Australia and Australian Waters—Interim report, dated 31 March 2016. [Received 31 March 2016]

Interim report, dated 12 April 2016. [Received 12 April 2016]

22 Foreign Affairs, Defence and Trade References Committee—Capability of Defence's physical science and engineering workforce—Report, dated April 2016, Hansard record of proceedings, additional information and submissions. [Received 1 April 2016]

23 Community Affairs Legislation Committee—Additional estimates 2015-16—Report, dated April 2016, Hansard record of proceedings, documents presented to the committee and additional information. [Received 6 April 2016]

24 Economics References Committee—Foreign investment review framework—Report, dated April 2016, Hansard record of proceedings, documents presented to the committee, additional information and submissions. [Received 8 April 2016]

25 Northern Australia—Joint Select Committee—Northern Australia Infrastructure Facility Bill 2016—Advisory report, dated April 2016 and minutes of proceedings. [Received 14 April 2016]

Government responses to parliamentary committee reports (pursuant to Senate standing order 166)

Australian Government Australian Government response to the Joint Standing Committee on Foreign Affairs, Defence and Trade report: Partnering for the greater good: The role of the private sector in promoting economic growth and reducing poverty in the Indo-Pacific region

Recommendation 1

The Committee recommends that the Australian Government:
• draw on the experiences of like-minded and similarly resourced bilateral donors in the development of new strategies and programs for working with the private sector, and explore opportunities for joint programs in these areas;
• build partnerships and share expertise with other donors, including nontraditional donors, with a view to consolidating and better coordinating Australia's aid effort in the Indo-Pacific region; and
• continue to strengthen Australia's involvement and representation of Australia's development interests at international and regional forums, including the OECD and ASEAN.

Response
Supported
Australia actively works with other donor partners and through regional and global fora to advance our development interests. This includes learning from their experiences in private sector engagement and coordinating efforts in the Indo-Pacific region. Policy dialogue with our closest donor partners is comprehensive and candid, ensuring Australia has access to the latest experience and perspectives. Australia's formal development partnership arrangements with the US, UK, Canada and other donors include commitments to coordinate and cooperate on private sector programs. Practical examples include our role in the innovative Private Infrastructure Development Group (PIDG) in which we partner with the UK and several other European governments to develop private sector investment-ready infrastructure projects that provide essential services to the underserved.

Australia continues to explore opportunities to work with non-traditional partners to promote development outcomes in our region. For example, the Australian and Chinese governments signed an MOU for a Development Cooperation Partnership in April 2013.

The Department of Foreign Affairs and Trade (DFAT) advocates for Australia’s development interests in international and regional fora, including the OECD, and will continue to do so. In November 2014, Australia and ASEAN entered a Strategic Partnership in recognition of the depth and breadth of Australia—ASEAN cooperation over many years, and acknowledging the potential for still greater mutual engagement.

Recommendation 2
The Committee recommends that the Australian Government:
• partner with countries in the Indo-Pacific region to promote ethical business approaches to supply chain challenges;
• support and facilitate opportunities which foster the participation of low income men and women in supply chains; and
• through its web-based information systems, communicate to the public information about Australian-funded ethical supply chain development and outcomes.

Response
Supported
Australia funds a number of initiatives in the Indo-Pacific region that enable smallholder farmers to sell into higher value international supply chains and promotes ethical business approaches. Our investment in these types of programs is expected to increase in line with new strategies on private sector development; and, agriculture, fisheries and water. Current programs include:
• 'Fairtrade for Aid in the Indo-Pacific' working with Fairtrade Australia New Zealand in the region to build demand for these products in Australia and to support developing countries to supply these products to the market.
• the World Economic Forum's (WEF) new 'Grow Asia' initiative which is an innovative public—
  private partnership platform seeking to catalyse sustainable and inclusive agribusiness opportunities
  across Southeast Asia
• a partnership with the UN Global Compact Network Australia to encourage Australian business to
  contribute to meeting the UN's Sustainable Development Goals in our region
• a partnership with the Global Reporting Initiative to encourage Australian and multinational
  businesses working in the region to report and improve on social and environmental impacts of
  business activities
• supporting the APEC 'Capacity-building Plan to Improve Supply Chain Performance' which includes
  capacity-building in various customs-related, at-the-border functions in support of the WTO Trade
  Facilitation Agreement.

Information on these programs is available on DFAT's website and DFAT will continue to consolidate
online information and improve its web presence to communicate activities and outcomes of the
Australian aid program.

At the international level, Australia has promoted inclusive business practices through the G20,
including providing input into the G20 Inclusive Business Framework and contributing to the
development of the G20 Leaders' Call on Inclusive Business.

Australia also adheres to the OECD Guidelines for Multinational Enterprises which provide guidance to
multinational businesses on how to conduct relations and activities with communities with whom their
business interacts. The Office of the National Contact Point in The Treasury supports the
Commonwealth's implementation of the guidelines.

Recommendation 3
The Committee recommends that the Australian Government:
• review, and amend as necessary, relevant Australian company legislation to fully accommodate
  social enterprises, including cooperatives and B corporations;
• ensure aid initiatives support
  the establishment of in-country company legislation that accommodates social enterprises and other
  community and village corporate forms to reduce costs and the complexity of business formalisation;
  and
  promotion and assistance, particularly for women, to help them engage in the business registration
  process and ongoing requirements of operating a formal business.

Response (input from The Treasury) Partially supported
The Corporations Act 2001 currently provides for the establishment of social enterprises while existing
state and territory legislation accommodates cooperatives.

Australia has supported countries in the Pacific region to amend their company legislation to legalise
the proposed types of business structures and supported women to formalise their businesses. DFAT
will continue to consider these issues in future programs of support in this area.

Recommendation 4
The Committee recommends that the Australian Government work with the private sector and other
non-state actors to develop opportunities to expand the range and reach of effective and affordable
health care across the Indo-Pacific region, including by:
• exploring the feasibility of a flagship Australian initiative to enhance the role of private healthcare;
• engaging with governments in the region to support the development of appropriate policies for
  private sector health, specifically:
addressing the integration and regulation of public and private systems;
focusing on the needs of women, including for reproductive and maternal health services and products;
and
• promoting pharmaceutical product development partnerships to better distribute or bring new medicines to poor communities.

**Response**

**Supported**

Working with governments, international agencies, philanthropic organisations, non-government organisations and the private sector is central to improving the health and economic potential of our region, and to minimising the risks of inefficient and inequitable 'health markets' in the Indo-Pacific region. There are opportunities and challenges in engaging with private sector actors in health. DFAT has established a partnership with the International Finance Corporation (part of the World Bank Group) to analyse private health sector markets in selected Asian countries, and to identify potential private sector investments and partnerships to improve health outcomes for the poor and near poor. Aid investments will continue to be prioritised according to health impact and partner country priorities.

In March 2015, Foreign Minister Bishop committed A$30 million over three years to support Product Development Partnerships. This support will help bring to market diagnostic tools and medicines, developed through public—private partnerships, for tuberculosis and malaria. Both diseases place a high burden on the Indo-Pacific region and pose a health security threat because of drug resistance. In addition, the Australian Government has continued its commitment to GAVI, pledging A$250 million to the 2016-20 replenishment.

**Recommendation 5**

The Committee recommends that the Australian Government:
• prioritise access to financial services and financial education, in particular to the most disadvantaged populations, and explore options to expand current private sector and donor programs beyond the Pacific; and
• address any negative consequences of increased financial independence for women by also engaging men to increase both women and men's financial resource access, and educate men and boys about the rights of women.

**Response  Supported**

Access to financial services is a key element of our development effort and this is expected to increase with our greater focus on private sector development and women's economic empowerment. An effective financial system contributes to wider economic growth. The Australian aid program is supporting increased access to financial services through a range of initiatives at the global level including through the G20's Global Partnership for Financial Inclusion and the Consultative Group to Assist the Poor and Women's World Banking. In addition, we are supporting programs that are leading to increased financial services including the Pacific Financial Inclusion Program and Shaping Inclusive Transformations which operates in Cambodia, Lao-PDR, Myanmar and Vietnam.

The Australian Government is committed to gender equality and women's empowerment. DFAT accords a high priority to promoting gender equality and women's empowerment across our foreign policy, economic diplomacy and aid program. The Australian Government has set a target requiring that at least 80 per cent of aid investments, regardless of their primary objective, should effectively address gender equality in their implementation.

DFAT has commissioned research in Papua New Guinea and Solomon Islands on the relationship between women's economic empowerment and violence against women which seeks to understand how to improve women's livelihood security without compromising their safety. The results from the
research are being used to inform a wide range of activities, including financial inclusion and private sector programs, and ending violence against women programs.

**Recommendation 6**

The Committee recommends that the Australian Government take a whole-of-government approach to remittances and their role in international development by:

- identifying and addressing regulatory and non-regulatory constraints to providing remittance services, including where necessary implementing regulations that provide better protections for individuals;
- contributing to work being undertaken globally, ensuring that the interests of Australia and the countries of the Indo-Pacific region are adequately represented; and
- identifying the lowest cost but most efficient pathways for remittance service providers and recipients.

**Response (input from AGD) Noted**

The Australian Government has adopted a connected approach in dealing with issues related to remittances. A low appetite for risk in the financial sector globally has seen some Australian banks decide to exit banking relationships with remittance service providers (remitters). Government recognises that remittances represent a major source of income for millions of people across the globe. However this benefit must be carefully weighed against the risks posed by remitters, to ensure that national security and financial system integrity are not compromised.

In 2014, the Australian Government formed a Working Group on Remittance Account Closures to consider practical measures to address the issue. Membership comprised AGD, AUSTRAC, DFAT, the Australian Crime Commission, the Australian Bankers' Association, the Australian Remittance and Currency Providers Association and the Somali Money Remitters Group. The final meeting of this Working Group was held on 16 September 2015 and an agreed Statement of Outcomes is currently being finalised. AUSTRAC data indicates that, to date, there has been no decline in the amount of money being remitted into or out of Australia. It was agreed that the Working Group can be reconvened if significant declines occur in the future.

Australian Government representatives currently participate in a range of international fora addressing issues in the remittance sector, including the Financial Action Task Force (FATF), the Asia/Pacific Group on Money Laundering and the G20. In 2014, during Australia's G20 presidency, Leaders committed to the G20 Plan to Facilitate Remittance Flows. Australia is also commenting on the draft FATF guidance paper on the Risk Based Approach to Money Value Transfer Services as well as the development of FATF Guidance on Correspondent Banking, which will provide guidance to correspondent banks in response to the de-risking phenomenon that has affected the remittance industry.

Australia's support for the development of the financial sector in our region and initiatives, such as Send Money Pacific, a remittance cost comparison website, are contributing to the creation of low-cost and efficient remittance services to the region. During 2016, the Government will consider the recommendations of a study on technological and innovative solutions to facilitate remittances from Australia to countries in our region.

Australia's anti-money laundering and counter-terrorism financing regime, which is a key component of remitter regulation, is currently subject to a statutory review. This review, which has broad government consultation, has considered the regulation of remittances and a report is expected to be tabled in Parliament over the coming months.

**Recommendation 7**
The Committee recommends that the Australian Government review current Australian-funded business volunteering or mentoring initiatives to:

- improve connections to other Australian-funded business development initiatives;
- improve public information about Australia's volunteering programs;
- better collaborate with volunteering programs organised and funded by Australian businesses; and
- consider improved processes with a view to creating a more business-focused volunteering or twinning program.

**Response Supported**

The Australian Volunteers for International Development (AVID) program is funded and delivered by DFAT in partnership with Australian Volunteers International (AVI) and Scope Global (SG). The third partner, Australian Red Cross, will exit the program by 30 June 2016. AVI and SG sub-contract Australian Business Volunteers (ABV) to send short-term volunteers to business-related assignments. ABV will send up to 70 volunteers in 2015-16. New AVID branding and guidelines were introduced in July 2015 to ensure greater recognition of AVID as a Government-funded volunteer program under the Australian aid program.

The agreements with the current delivery partners end in December 2017 and the design of a new Australian Government volunteer program commenced in 2015. Business-focused volunteering will be a key consideration in the design process which will include consultation with the Australian public and the business sector.

The New Colombo Plan's Internship and Mentorship Network is a further example of how DFAT programs are linking into the capacity of corporate partners to support skills development.

**Recommendation 8**

The Committee recommends that the Australian Government require gender balance in the participation of horticultural workers in the Pacific Seasonal Worker Program so that there are equal numbers of men and women participants from each country.

**Response (input from Department of Employment)**

Partially supported

Ensuring women are able to benefit from participation in the Seasonal Worker Programme (SWP) is important to the Australian Government. The Australian Government encourages the participation of women in the SWP through advocacy, education and technical assistance. The Australian Government does not, however, support a formal requirement or quota for the proportion of women participating in the SWP.

DFAT is funding the Labour Mobility Assistance Program (LMAP), which commenced in June 2015, to assist Pacific island countries to improve the supply and quality of seasonal workers, strengthen linkages with Australian employers and maximise development impacts of the SWP. Recognising the low uptake of women in seasonal work, and the limited recognition of the importance of gender equality by many stakeholders, LMAP has committed to:

- develop an Inclusion Strategy that identifies ways LMAP can increase the participation of women in the SWP
- support labour-sending units to ensure that recruitment and selection practices do not disadvantage women
- ensure all stakeholders in participating countries, as well as Australian employers, have an understanding of gender issues and can apply their knowledge thoughtfully
• develop pilot programs aimed at improving the participation of women
• disseminate the results and case studies of the pilot programs through regional forums, employer
  events and advocacy elements of other Australian-funded programs in the region and elsewhere.

In June 2015, the Australian Government announced (as part of the Developing Northern Australia
White Paper) removing the annual cap on SWP places, expanding the program to include the broader
agriculture industry, and making the accommodation sector a permanent part of the program. The
Australian Government will use this expansion and the opportunities it provides to advocate with
partner governments to ensure labour sending arrangements maximise opportunities for women.

Recommendation 9
The Committee recommends that the Australian Government seek to protect the rights of women and
vulnerable groups, and help build country capacity in achieving gender equity and governance systems
to support this, including by:
• continuing to support programs that collect health data, and monitor and assess the rates and
  prevalence of domestic violence;
• helping to strengthen country legislative frameworks, law and order, and legal and judicial systems
to support real reductions in violence in communities; and
• assisting countries in the Indo-Pacific region to put in place and maintain robust births, deaths and
  marriages registers.

Response Supported
DFAT is committed to protecting the rights of women and girls, vulnerable groups, and people with a
disability across the breadth of the aid program. DFAT takes a twin-track approach to gender equality.
This includes taking measures specifically designed to tackle gender inequalities, and at the same time
incorporating gender issues into all aspects of our work.

The Australian Government engages bilaterally with partner governments to support their efforts to
strengthen their law and justice systems. This includes supporting access to justice for all through work
with police, courts, corrections systems, legal aid agencies and informal justice providers.

Australia also provides assistance to strengthen the safety and security of communities. Priorities
include providing basic security and stability and ending violence against women, children, and
marginalised people.

Australia is a world leader in supporting evidence-based responses to violence against women. The
Australian Government has identified ending violence against women as a priority for aid investments.
Australia's approach targets investments to assist partner countries to: develop and implement a strong
justice sector capable of addressing violence against women; increase women's access to support
services when they experience violence; and prevent violence against women through increased
advocacy and community outreach, including prevention activities.

Australia has recently supported prevalence studies to understand the situation, extent and nature of
violence against women in ten countries across the Pacific region using the World Health Organization
methodology. DFAT has also supported prevalence studies in Timor Leste and Cambodia.

The Gender Equality Fund (A$50 million in 2015-16) has been established as part of the 2015-16 aid
budget to accelerate support for gender equality in the Australian aid program. It will fund, jointly with
country and regional programs, investments aimed at advancing gender equality and foster innovative
work by private sector and non-government organisations, particularly women's organisations.

Australia is contributing A$20 million to a US$100 million partnership with Bloomberg Philanthropies
for the Data for Health program. The partnership will build the capacity of governments in developing
countries to collect and use vital health information to build better health systems. Globally, 65 per cent
of deaths have no documented cause, and 40 million children are born- without a birth certificate each
year. The partnership will improve health information in three ways: improving data on births and deaths; conducting mobile phone surveys on health risk factors; and improving policymakers’ use of health data.

**Recommendation 10**

The Committee recommends that:

- the Australian Government require all organisations partnering with Australia's aid program to be signatories to the UN Women's Empowerment Principles or otherwise demonstrate genuine commitment to these principles;

- the Department of Foreign Affairs and Trade (DFAT) ensure staff:

  have an expert understanding of the UN Women's Empowerment Principles and the UN Global Compact;

  are able to connect businesses, in Australia and overseas, to local representatives of UN Women and UN Global Compact; and

  - DFAT use its web-based information system to identify which agencies or businesses are signatories to the UN Women's Empowerment Principles, including through linking to the searchable database on the Women's Empowerment Principles website.

- **Response**

  Partially supported

  The Women's Empowerment Principles are designed for business and not all organisations that the aid program works with will be signatories to them. In addition they are voluntary and do not have a substantive compliance mechanism to ensure accountability. DFAT cannot base funding decisions on the Women's Empowerment Principles given these limitations.

  DFAT staff have an awareness of international standards and guidelines for businesses such as the Women's Empowerment Principles promoted by the UN Global Compact. DFAT’s Economic Diplomacy Charter includes a commitment to 'Inform business of international and domestic legal obligations, including on sanctions and anti-bribery, and voluntary international business principles and corporate social responsibility norms’. DFAT has established partnerships with the UN Global Compact Network Australia and the Global Reporting Initiative to help meet that commitment and will provide links to these organisations through its website.

  The Government set a target requiring that 80 per cent of investments, regardless of their objectives, effectively address gender equality in their implementation. DFAT uses annual quality and performance data to monitor progress in meeting this target.

- **Recommendation 11**

  The Committee recommends that the Australian Government:

  - continue to support existing women’s leadership programs, including the Pacific Women's Parliamentary Partnerships Project and the network of Asia and Pacific Parliamentarians for Population and Development and its committee on male parliamentarians' involvement in elimination of violence against women;

  - support and extend business leadership programs such as the Business Coalition for Women in Papua New Guinea across the Indo-Pacific region, including linking to women in leadership initiatives operating in Australia; and

    - explore the future transition of the Pacific Women's Parliamentary Partnerships Project to one where all women’s leadership positions are included for development and support.

- **Response**
Partially supported

Australia continues to support women's leadership as a priority for aid program investments, particularly in the Indo-Pacific region.

DFAT has confirmed ongoing support for the Asian Forum of Parliamentarians on Population and Development to continue efforts to mobilise parliamentarians for the prevention of violence against women and girls in the Asia—Pacific region. The investment supports parliamentarians in the Asia—Pacific region to improve and advocate for national policies on prevention of violence against women and girls, and ensure their effective implementation.

The Pacific Women Shaping Pacific Development Program is a ten year (2012-2022) A$320 million program aimed at improving the political, economic and social opportunities of women in 14 Pacific countries. DFAT will continue to support existing women's leadership programs, including the Pacific Women's Parliamentary Partnerships Project.

The Business Coalition for Women in Papua New Guinea is a successful model which the International Finance Corporation is looking to expand to Solomon Islands. We remain cautious of replicating programs in full across the Indo-Pacific region as we must recognise that the societies and economies of the region are very different, in this case to that of Papua New Guinea, and require a contextually appropriate approach.

The Gender Equality Fund (A$50 million in 2015-16) has been established as part of the 2015-16 aid budget to accelerate support for gender equality in the Australian aid program. It will fund, jointly with country and regional programs, investments aimed at advancing gender equality and foster innovative work by private sector and non-government organisations, particularly women's organisations.

The Pacific Women's Parliamentary Partnerships Project is a program run by the Parliament of Australia for parliamentarians. It is not appropriate to expand the program to include different groups, given the range of other women's leadership programs currently underway or planned for the Pacific region.

Recommendation 12

The Committee recommends that the Australian Government continue to focus on projects that help build a system of legal land tenure in countries of the Indo-Pacific region that

- take into account both individual and community customary tenure and any other access rights or titles that may be in place;
- seek to protect the rights and entitlements of women and vulnerable groups; and
- help build country capacity and governance systems through official exchanges of experts who have sufficient time and support to help effect change.

Response Supported

DFAT strives to ensure that programs focusing on land tenure issues in the countries of the Indo-Pacific region take into account the full range of customary tenure and any other access rights that may be in place. DFAT also requires that programs consider and protect the rights of women and vulnerable groups. These programs take into account local governance and capacity needs. Official exchanges will be considered within the context of new programs addressing land tenure.

Recent programs include:

- The Vanuatu Land Program, which concluded in October 2015 and which supported the implementation of Vanuatu's Land Sector Framework 2009-2018. This included supporting the Ministry of Lands and Natural Resources to improve core land administration functions (surveying, land registration and valuation), supporting selected customary land activities and the work of the Malvatumauri (The National Council of Chiefs), and the development of land reform laws enacted in 2014 which have given greater protection to customary owners.
Solomon Islands Urbanisation Program which is providing technical assistance to the Solomon Islands Ministry of Land, Housing and Survey to help address the issues associated with rapid urbanisation, particularly in and around Honiara, including poor urban planning and land administration.

**Recommendation 13**
The Committee recommends Austrade and the Department of Foreign Affairs and Trade develop strategic partnerships with trade and investment promotion authorities in the Pacific, such as Pacific Islands Trade and Invest. These partnerships should include opportunities for twinning and fee for service arrangements that support small enterprises and those led by women.

**Response**
**Partially supported**
Pacific Islands Trade & Invest (PT&I) is the international trade and investment promotion agency of the Pacific Islands Forum Secretariat (PIFS) and has offices in Auckland, Beijing, Sydney, Tokyo and Geneva. DFAT, through a contribution to PIFS, actively supports PT&I to develop, grow and promote businesses in the region with the aim of improving livelihoods of people in the Pacific region. PT&I's areas of focus are export, investment, tourism promotion and creative arts. Australia’s support for PT&I funds the operation of the Sydney office.

Austrade is well connected with PT&I, mainly in PNG and Fiji where Austrade has local offices. Austrade meets with PT&I regularly to share market intelligence and to discuss collaboration and mutual activities. Austrade has also supported PT&I trade missions by providing market briefings and helping identify potential delegates. The possibility of greater engagement with PT&I, including with Austrade, will be considered.

**Recommendation 14**
The Committee recommends that the Australian Government:
- direct significant aid investment into innovative technology across the Indo-Pacific region; and
- utilise the innovationXchange to explore partnership opportunities to expand the use of technology in new and beneficial ways.

**Response**
**Supported**
Innovation—harnessing new technologies, insights and sources of financing—can help deliver development solutions that are cheaper, faster and more effective. The innovationXchange is exploring the use of new, cost-effective technologies with the potential to deliver greater impact than traditional approaches through its investments and partnerships. The Global Innovation Fund, Seed Pacific, the Humanitarian Innovation initiative, and the Blue Economy Challenge are all new platforms created to increase access to technological innovation and with the potential to address important development challenges in the Indo-Pacific region.

**Recommendation 15**
The Committee recommends that the Australian Government:
- continue to support multi-stakeholder global partnerships that have demonstrated their effectiveness in meeting Australia’s aid objectives;
- encourage partnerships in the Indo-Pacific region, using Australia’s overseas diplomatic missions more effectively at the local level to identify opportunities and support small businesses;
- require the Department of Foreign Affairs and Trade to:
undertake routine systematic reviews of global partnerships to ensure that the impact of Australia's aid investments is both maximised and appropriately acknowledged; and

monitor and report annually on business partnerships established as a result of Australian Government private sector development business engagement activities.

Response
Supported

DFAT engages with multi-stakeholder global partnerships consistent with the application of our performance and quality policy *Making Performance Count* (2014). The Australian Government ensures that taxpayers' money spent on the aid program is being well managed and achieving progress towards key goals. Aid investments, including multi-stakeholder and business partnerships, are subject to rigorous annual quality checks to ensure they are performing well and achieving their intended results (see response to Recommendation 24). Effectiveness in meeting Australia's aid objectives is a key criterion in determining whether partnerships will continue to be funded.

Australia's overseas diplomatic missions play an important role in promoting engagement with business to support development outcomes, including the growth of small businesses. Commitments are articulated in DFAT's *Economic Diplomacy Charter*; the *Ministerial Statement on engagement with business on aid and development* and DFAT's *Private Sector Development Strategy*.

DFAT will report on private sector partnerships in a variety of ways, including through its Annual Report.

Recommendation 16

The Committee recommends that DFAT leverage the expertise of other Australian Government agencies, including the Department of Finance and the Future Fund, as well as Australia's financial institutions in order to further promote the establishment and management of sovereign wealth funds for development partners.

Response (input from Treasury) Supported

The Australian Government remains committed to supporting the establishment of effective sovereign wealth funds (SWFs) that rate well against the Santiago Principles. This will be done if and when the need arises and capacity exists, in order to strengthen the economy of our developing partners and improve living standards. Experience suggests that the establishment and economic benefits of SWFs are most effective when there is commensurate commitment from the partner government and mutually agreed objectives and timelines.

The Australian Government remains committed to helping our developing partners prosper, including through the sustainable and responsible extraction of resources. DFAT is designing a new extractives centre to support developing countries transform their natural resources into long term economic and social development gains.

Recommendation 17

The Committee recommends that the Australian Government

- participate in or support joint ventures between the private and public sectors, and wherever possible ensure technology transfer and local contractors are engaged; and
- as a means to mobilising domestic financial resources, provide capacity building assistance to partner governments to develop effective and transparent governance frameworks to support tax credits being used for building infrastructure.

Response

Partially supported
Australia actively promotes private sector participation and investment in infrastructure in developing countries through the aid program. This includes working with partner governments to build their capacity to manage Public—Private Partnerships and other vehicles for delivering infrastructure. The recently released *Strategy for Investments in Economic Infrastructure* guides our official aid expenditure on infrastructure. The aim is to attract private sector investment as well as innovation, efficiency and technology transfer. Our support includes strengthening institutions, improving the policy and regulatory environment to facilitate private sector investment, and assisting with project preparation. We often work in partnership with the World Bank and other multilateral development banks that provide experience, technical expertise, credit enhancement and other mechanisms to bring high impact projects to financial closure.

Effective governance is one of the six priority areas in Australia's overarching aid policy, and in 2015-16 is expected to account for 21.3 per cent of Australian official development assistance expenditure. Australia's governance work is guided by *Effective Governance: Strategy for Australia's aid investments*. Governance investments vary according to country context and often address public financial management issues.

As part of the public financial management activities guided by the governance strategy, Australia has committed to strengthening efforts to build revenue capacity and effective tax systems in developing countries. The Foreign Minister committed to increasing Australia's aid targeted at tax matters as part of the Addis Tax Initiative, which commits Australia to doubling development assistance for domestic resource mobilisation by 2020. The expected tax capacity building efforts will be broad and country specific and may include projects targeted at both the public and private sectors.

**Recommendation 18**

The Committee recommends that the Australian Government follow the World Bank Group's social, legal and environmental safeguards when entering into Public—Private Partnerships to ensure:

- the model is optimal for the outcome sought;
- in-country stakeholders are consulted closely;
- there is technology transfer and local capacity building included in contracts; and
  - the partner government has, or is supported to develop, appropriate and transparent legal and regulatory mechanisms so they can fully participate, and any corruption is identified and addressed.

**Response**

Partially supported

The Australian aid program has policies on environmental protection, resettlement and child protection. These policies are consistent with Australian legislative and international obligations.

The *Displacement and Resettlement of People in Development Activities* policy is based on the objectives and principles advanced in the resettlement policies of the Asian Development Bank, International Finance Corporation and World Bank. Under this policy, DFAT supports partner governments to lead the safeguard process, and country stakeholders are closely consulted. Capacity building is generally provided.

DFAT has an obligation under the *Environment Protection and Biodiversity Conservation Act 1999* (the EPBC Act) to consider whether an aid activity is causing, or is likely to cause, a significant impact on the environment. The *Environment Protection Policy for the Aid Program* articulates the principles by which DFAT's aid program will meet its legislative and international obligations and work with aid delivery partners to implement the policy. The *Child Protection Policy for the Australian Government's overseas aid program* aims to create and maintain protective environments for children and to protect them from exploitation and abuse of all kinds in the delivery of Australia's overseas aid program.
Since 2012 the World Bank Group has been reviewing its safeguards policies with the aim to replace them with a single safeguard statement and 10 environmental and social standards by the end of 2015. DFAT works in close cooperation with the World Bank on safeguards issues, including through the World Bank Australia Safeguards Partnership. Under this initiative, DFAT provides A$4.33 million to enhance infrastructure development by promoting the efficient implementation of environmental and social safeguards. The initiative engages developing country governments, the World Bank and Asian Development Bank, bilateral donors, and private financiers to develop and promote standardised approaches to environmental and social safeguards, encourage cooperation and facilitate Public—Private Partnerships (PPP).

PPP projects involve contractual agreements between governments and the private sector to design, build, operate, maintain and/or finance infrastructure. If designed and implemented well, PPPs have the potential to improve infrastructure delivery. PPPs, however, are highly complex and involve inherent risks which can impact on the viability of a project. Engagement with partner governments, building capacity and strengthening institutions to undertake proper planning, financing, procurement, contracting, regulation, and maintenance of infrastructure, is a critical component of Australia’s aid projects in infrastructure.

Recommendation 19
The Committee recommends that the Australian Government support and participate in Public—Private Partnerships (PPPs), where found to be effective, to address social and other infrastructure needs in the Indo-Pacific region, ensuring that the Department of Foreign Affairs and Trade:

- explore and encourage all opportunities to leverage Australian business expertise and participation in the financing and provision of infrastructure in developing countries in our region;
- engage with the business sector early and comprehensively to share information about opportunities;
- continue targeted public sector capacity building initiatives for recipient governments in relation to PPPs;
- ensure safeguards policies are implemented by all partners; and
- review and amend the Adviser Remuneration Framework to ensure that the necessary specialist skills can be attracted.

Response
Partially supported
DFAT is an active supporter of public—private partnerships (PPPs) as an important tool for the aid program. Our approach to PPPs is a key element in a number of our strategies, including for infrastructure, agriculture, fisheries and water. DFAT funds a number of PPP programs in partnership with the World Bank, Asian Development Bank and bilateral donor partners. Our programs provide public sector capacity building, as well as regulatory reform, project preparation and other advisory services. All aid program activities (including those implemented by third parties such as the World Bank) are subject to DFAT safeguard policies.

DFAT’s PPP investments have a strong emphasis on increasing the pipeline of fundable projects and creating more opportunities for the business sector (including the Australian business sector) to participate. DFAT provides information on PPP opportunities for the business sector through a range of mechanisms, directly and via our partners. This outreach will continue to extend as we forge stronger links with industry and businesses with a mutual interest in development and commercial activity in the region.

Many regional and global organisations that we engage with (such as APEC, ASEAN and the G20) have regional and global connectivity agendas that Australia actively supports. Many of our aid
program activities already contribute to these forums. For example, Australia is supporting APEC to develop a network of PPP centres in the region through our support for the Philippines PPP centre and funding we are providing for a new centre in Jakarta.

The Advisor Remuneration Framework was reviewed in mid-2015 which will result in increases to specific rates and conditions for nominated categories. These changes came into effect on 1 January 2016. DFAT continues to monitor the adequacy of the Framework to ensure its effectiveness.

**Recommendation 20**
The Committee recommends that in those countries or regions where access to finance is a development priority the Department of Foreign Affairs and Trade:

- develop a more expert understanding of the financial sector in priority countries or regions, including financing constraints for groups (such as women) targeted by the aid program;
- ensure current activities impacting on the financial sector (including in microfinance, agriculture and governance) are made public and coordinated within the Australian aid program and with other donors;
- assess current and potential public—private partnerships' access to finance including with: multilateral development banks and bilateral development finance institutions; and commercial banks and financial institutions.

**Response Supported**
Where access to finance has been identified as a priority, programs are supported to develop a solid understanding of the financial sector. DFAT is actively participating in a number of global initiatives designed to increase access to financial services in the region, including the G20's Global Partnership for Financial Inclusion and the Consultative Group to Assist the Poor (CGAP). DFAT is working with multilateral development banks and commercial financial institutions to address access to finance and will continue to explore opportunities for partnerships where this has been identified as a priority.

Information on programs impacting on the financial sector is available on DFAT's website and on individual program websites.

**Recommendation 21**
The Committee recommends that the Australian Government should:

- analyse if there is a need for an Australian development finance institution, including by assessing the unmet demand for finance at both the country and sector-specific levels across the Indo-Pacific region; and
- identify challenges, costs and broader implications of the creation of a standalone development finance institution, comparing this with:

- expanding the role of the Export Finance and Insurance Corporation; or
- partnering with current Australian financial institutions to provide innovative financing.

**Response (input from Treasury) Partially supported**
DFAT is undertaking a range of analysis related to different finance mechanisms and structural issues related to their use. As part of this work DFAT is working more closely with the Export Finance and Insurance Corporation (EFIC), as a portfolio agency, in order to benefit from their technical finance expertise. DFAT is also engaging more actively with development finance institutions (multilateral and bilateral), such as the International Finance Corporation and the Australian and international finance sector as part of its private sector engagement agenda. These relationships are also helping inform DFAT's future direction with respect to development finance.

Australia actively engages with existing financial institutions which offer an array of financial products to support and encourage private sector activity in the Indo-Pacific region:
At the G20 Summit in Brisbane, leaders agreed actions to lift quality public and private infrastructure investment globally. Leaders also agreed to establish the Global Infrastructure Hub to help promote this agenda. Australia has taken a lead role and has made considerable progress in establishing the Hub. The Australian Government will contribute A$30 million for the Hub until 2018. Additional financial contributions, and in-kind resourcing, are also expected from other governments, international institutions and the private sector.

The Australian Government will provide an initial contribution of A$25 million to the Global Infrastructure Facility which will provide both 'upstream' assistance (advice on creating an enabling environment and project preparation), and 'downstream' assistance (financial structuring and assistance in accessing capital).

The Australian Government will provide A$10 million to the Asian Development Bank’s Asia Pacific Project Preparation Facility (AP3F) to help lift investment in global infrastructure, a critical component to ensuring economic growth and poverty alleviation in the Pacific region. The AP3F will prepare a pipeline of public—private partnership infrastructure projects to attract and secure financing from private sector sources.

As a prospective founding member of the Asian Infrastructure Investment Bank (AIIB), Australia will contribute around A$1 billion as paid-in capital to the bank over five years and will be the sixth largest shareholder. The AIIB will help close the estimated infrastructure financing gap of US$8 trillion in Asia between 2010 and 2020, and present opportunities for Australia to work with our neighbours in the Indo-Pacific region. The AIIB will potentially co-finance projects with other development banks and private sector financiers.

Recommendation 22
The Committee recommends that the Australian Government through the Department of Foreign Affairs and Trade:

- continue to develop expertise and knowledge about the social impact investing sector in the Indo-Pacific region, with Australia’s overseas diplomatic representatives assisting with this information gathering;
- work with the Australian Advisory Board on Impact Investing to identify areas of potential collaboration to promote more impact investing in the region;
- participate in relevant Australian, regional and global working groups on impact investing, including the working group on Development Impact Bonds; and
- develop a means of effective and continuous communication about the prospects for impact investing with potential investors, including the Australian public.

Response (input from Treasury) Partially supported
DFAT is actively engaged in developing the social impact investing market in Australia and the region, and is exploring options for it to use this type of investment to improve the impact and sustainability of our development activities. DFAT is a founding member of the Australia New Zealand Inter-jurisdictional Taskforce on Social Impact Investing and is increasingly engaged with lead impact investing platforms in the region, such as Shujog and the Global Impact Investing Network. DFAT has been working actively with members of the Australian Advisory Board on Impact Investing to plan for its future expansion of activity in this sector. DFAT will consider opportunities for engaging with additional bodies, including the working group on Development Impact Bonds.

As a troika member in 2015, Australia has contributed to the development of a framework on inclusive business in the G20 Development Working Group. The Australian Government continues to take an active interest in this area.
Social impact investing for service delivery in Australia has largely been driven by state governments. Consideration at the Commonwealth level is focused on areas such as the smaller government agenda and promoting innovation and philanthropy to improve social and economic outcomes.

The Financial System Inquiry final report, released in December 2014, included a recommendation to 'explore ways to facilitate development of the impact investment market and encourage innovation in funding social service delivery'. In its response released on 20 October 2015, the Government agreed to prepare a discussion paper to explore ways to facilitate development of the impact investment market in Australia, and introduce legislative amendments if necessary. This includes developing legislative amendments to provide greater certainty for private ancillary funds wishing to invest in social impact bonds.

**Recommendation 23**

The Committee recommends the Department of Foreign Affairs and Trade:

- identify roadblocks and unhelpful red tape hindering optimal outcomes for existing contracts and partnership arrangements, in order to improve the flexibility and effectiveness for all of these arrangements;
- review existing contracting or sub-contracting requirements that currently limit the pool of potential aid delivery partners, including small enterprises, TAFEs and others with specialist skills; and
- foster expertise in building partnerships, including by shifting departmental culture toward a more positive approach to the private sector.

**Response Supported**

DFAT continues to refine its planning, procurement and contract management policies, processes and systems in addition to responding to industry feedback, changing legislative requirements, and Australian National Audit Office recommendations.

DFAT works in partnership with industry to enhance procurement outcomes including by reducing red tape and broadening the potential supplier pool. As such, DFAT regularly engages with industry to identify and progress procurement innovation and reform. DFAT is continuously refining its planning, procurement and contract management policies, processes and systems in addition to responding to industry feedback, changing legislative requirements, and ANAO recommendations.

DFAT works in partnership with industry to enhance procurement outcomes including by reducing red tape and broadening the potential supplier pool. As such, DFAT regularly engages with industry to identify and progress procurement innovation and reform. This collaborative approach has resulted in:

- activities that diversify the potential supplier pool such as encouraging consortia bids for large programs enabling SMEs to participate in large tenders, running forums with DFAT managing contractors to outline subcontracting opportunities (including new suppliers on evaluation committees to build their understanding of DFAT procurement processes), and holding forums on how to bid for DFAT work.
- The Aid Advisory Services panel resulted in a range of new Australian and international delivery partners including large and small companies, and individuals, being engaged to support the delivery of the aid program.
- DFAT support of SMEs is demonstrated through its contracting arrangements. In 2013-14, 56 per cent of aid agreements by value were with SMEs, compared with the Commonwealth average of 34 per cent.
- trialling innovative commercial approaches to increase flexibility and effectiveness such as outcomes-based scopes of service and payment structures (Innovation for Indonesia’s School Children), streamlined tender documents (SEED Pacific), and alternative mechanisms to assess value for money (Laos Basic Education Quality).
• providing more information to the market earlier ahead of the tender, such as investment concepts (Timor-Leste—TOMAK: Farming for Prosperity), draft designs (Australia–Vietnam Human Resource Development Program), and draft tenders (Philippines Provincial Road Management Facility). This supports better preparation for tenders and results in higher quality bids, in addition to providing industry with an opportunity to comment on the direction of the aid program. In addition, DFAT also provides advance notice of business notifications through its website and Annual Procurement Plan.

• linking performance and payment to incentivise performance and hold delivery partners accountable. All of DFAT’s complex aid contracts and tenders issued in 2015 included mechanisms to link performance and payment, compared to 69 per cent of contracts and 82 per cent of tenders in 2014.

• utilising competitive methods of procurement as standard practice in DFAT. From 1 July 2014 to 31 March 2015, 97 per cent of aid agreements (by value) were competitively procured (‘open tender’), compared to the Commonwealth average of 60 per cent.

Recommendation 24
The Committee recommends that, in line with its new aid paradigm, the Australian Government:
• review its untied aid grants strategy;
• strengthen our representation, influence, and the articulation of Australia's interests through Australia's permanent representatives at multilateral organisations;
• inform the Australian Parliament of any significant changes proposed by multilateral organisations that could impact on Australia's interests prior to any decision being taken; and
• continue to prepare and publish an annual assessment of multilateral institutions to: determine how well they are meeting the objectives and intentions of Australia's aid program; and inform decisions on Australia's future funding contributions.

Response
Noted
Australia's development and humanitarian assistance has been untied since 2006, consistent with Commonwealth Procurement Rules which require non-discriminatory selection processes. Untying aid reduces the cost of goods and services by between 15 to 30 per cent and as much as 50 per cent for food aid. Untied aid ensures Australian aid delivers value for money, is cost-effective and uses the best available expertise, therefore achieving the best results. Australian business is able to participate on an equal footing with other goods and service providers.

DFAT is using a new Multilateral Performance Assessment (MPA) process to assess the performance of significant multilateral partners in delivering Australia's aid program. The MPA focuses on the 15-20 multilateral partners that account for approximately 90-95 per cent of our core funding to multilaterals. These assessments inform decisions on future funding allocations. A summary of the MPA assessments undertaken are published on the DFAT website and included in the Annual Performance of Australian Aid report.

The performance of multilateral partners in delivering aid activities funded through non-core grants will also be assessed through annual Partner Performance Assessments, and summary updates included in the Annual Performance of Australian Aid report.

Recommendation 25
The Committee recommends that the Australian Government:
• review development and humanitarian assistance with a view to increasing the proportion of in-kind aid to better meet our new national objectives; and
streamline tender information and advertising processes so more Australian businesses can participate in supplying aid products and services.

**Response**

Partially supported

DFAT regularly reviews its humanitarian assistance, including through annual aid quality checks, partnership reviews, in-country monitoring and high level consultations. These reviews aim to assess whether our providers are operating effectively, efficiently, appropriately and cost-effectively. The key considerations for Australia's food assistance are effectiveness and efficiency so it can achieve best value for money and the greatest impact for vulnerable populations, enabling the most lives to be saved. Importing food is not generally the most effective form of food assistance and in some cases can delay recovery when markets are functioning.

The Department has streamlined tender information and advertising processes. Consistent with the Commonwealth Procurement Rules, all aid open tenders are advertised through AusTender, and all contracts awarded over A$10,000 are listed on AusTender.


**Recommendation 26**

The Committee recommends that the Department of Foreign Affairs and Trade:

- support a structured program of secondment of key staff between selected private and relevant public sectors; and
- develop a best-practice strategy to support cross-department acquisition of networks, knowledge and expertise from targeted secondments.

**Response**

Partially supported

DFAT recognises the value of secondments as a tool to build networks and the skills and experience of our workforce. DFAT currently supports a range of secondments to the private sector and other government agencies. In the private sector, DFAT has an ongoing secondment program with the Business Council of Australia (BCA) and has recently commenced a secondment with the Minerals Council of Australia. DFAT will also consider the Australian Public Service Commission/BCA secondment program for senior executives if the pilot program is rolled out more widely. All DFAT secondments are considered within the context of competing pressures for staff resources and an assessment of the expected benefit to DFAT. The current flexible arrangements, rather than a formally structured program, are best suited to DFAT’s staffing arrangements and allow DFAT to engage in additional opportunities as they arise.

**Recommendation 27**

The Committee recommends that the Department of Foreign Affairs and Trade develop and maintain close, consultative relationships with:

- global forums on private sector development;
- the Australian Council for International Development, accredited Australian NGOs, and in-country NGOs;
- businesses, their associations and peak bodies, including those in developing countries; and
- commercial contractors to the aid program.

**Response** Supported
The Ministerial Statement on Engaging the Private Sector in Aid and Development launched in August 2015 represents a major change in DFAT’s strategy and approach to engagement with the private sector in development. DFAT is deepening its engagement with peak business and industry bodies in Australia, the region and globally. For example, DFAT now partners with the UN Global Compact to increase the engagement of Australian businesses in support of the SDGs, and also supports the work of the private sector-led Global Reporting Initiative in the region. DFAT is a lead reviewer in the OECD Development Assistance Committee’s review of private sector and development for member countries. DFAT is also a core member of the Donor Committee for Economic Development, the pre-eminent donor body for knowledge sharing and standards for private sector engagement.

DFAT (previously AusAID) and the Australian Council for International Development (ACFID) have maintained a close and consultative relationship over many years, most recently formalised in a Partnership Memorandum of Understanding (2013-16). The partnership is focused on two objectives: to enhance policy dialogue and consultation on development effectiveness with the Australian NGO sector; and to increase the development effectiveness of the sector through capacity development and standard setting.

DFAT maintains close partnerships with ACFID, key Australian NGOs and the Australian Red Cross to enable a rapid and coordinated Australian response to humanitarian crises in our region. The Humanitarian Partnership Agreement (HPA) that DFAT maintains with six key Australian NGOs (CARE, Save the Children, Oxfam, World Vision, Caritas and Plan) provides for DFAT and NGO partners to respond to a crisis within 48 hours of a request for assistance.

DFAT already maintains close, consultative relationships with commercial contractors through quarterly meetings with the International Development Contractors group going back to the 1990s. This engagement increased in 2015, and will do so further through 2015-16.

**Recommendation 28**

The Committee recommends that the Department of Foreign Affairs and Trade:

- establish an effective private sector and philanthropic communication and engagement unit which offers a clear participation pathway for potential partners, and that provides a register of relevant aid projects, but is flexible and remains open to innovative ideas;
- has systems in place to capture contacts and manage relationships more effectively, including those generated by Australia’s overseas diplomatic representatives; and
- introduce a mechanism through which partnerships can be established in a co-owned process to ensure risks, responsibilities and benefits are understood and properly assigned.

**Response**

Partially supported

The motivation for business to engage with DFAT is varied, which is why several contact points have been established. The general entry point for Australian businesses looking to engage with DFAT is through the DFAT website and email address (business@dfat.gov.au). The website directs interested parties to specific areas of within DFAT, with the Private Sector Development Section (private-sector-development@dfat.gov.au) being the principal entry point for businesses looking to engage with the government’s aid program in the region. Austender remains the primary entry point for businesses looking for commercial procurement opportunities.

DFAT is currently piloting a Client Relationship Management system to capture and manage contacts across DFAT’s work.

DFAT has a variety of mechanisms through which partnerships can be established including SEED Pacific and the recently announced Business Partnerships Platform. Additional information on these programs is available on the innovationXchange and DFAT websites.
Recommendation 29
The Committee recommends that the Department of Foreign Affairs and Trade establish a panel of independent expertise, which can:
- advise and help facilitate private sector engagement; and
- provide independent and expert guidance on partnership proposals, review risk profiles and examine due diligence processes quickly and transparently.

Response Supported
DFAT recognises the need to draw on expertise within the portfolio and from outside the agency to effectively deliver the aid program. The Aid Advisory Services Standing Offer provides one vehicle through which the aid program can obtain independent advice and expert guidance, including on risk and due diligence. DFAT is currently exploring additional options to efficiently access private sector development and finance specialist skills. This will be informed by the needs of programs as they start to increase their aid investments in these areas.

Recommendation 30
The Committee recommends that the Department of Foreign Affairs and Trade develop clear principles for all partnerships with the private sector. These principles should:
- include clear enunciation of our objective of promoting gender equity, reducing poverty and promoting economic growth in the Indo-Pacific region;
- require close engagement with countries, building capacity and governance, and in particular, reducing corruption; and
- be incorporated into eligibility requirements for partnerships, guidance to staff and in partnership agreements.

These partnerships should be desirable processes with the minimum of red tape impediment.

Response Supported
The Ministerial Statement on Engaging with the Private Sector on Aid and Development outlines principles for partnership with the private sector and outlines Australia’s objectives of promoting gender equality, reducing poverty and promoting economic growth in the Indo-Pacific region. The engagement principles require all parties to demonstrate commitment to responsible business—a commitment to behave ethically and contribute to sustainable economic, social and environmental outcomes. The principles note that DFAT’s engagement will focus on advancing our aid investment priorities which includes effective governance. Internal guidance and partnership platforms, consistent with relevant legislation, are being developed to support the implementation of partnerships.

The Business Partnerships Platform, announced by the Foreign Minister on 31 August 2015, incorporates the aid program's gender requirements and includes a funding window focused on business partnerships to promote gender outcomes.

DFAT will release a Gender Equality and Women's Empowerment Strategy in 2016 which will guide its efforts to promote gender equality and women's empowerment. The Strategy will note that effective implementation of gender equality and women's empowerment priorities are crucial to economic growth, stability and security and poverty reduction across the Indo-Pacific region.

Recommendation 31
The Committee recommends the Department of Foreign Affairs and Trade periodically assess, with their partners, the effectiveness and cost of current risk management measures including safeguards.

Response
Partially supported

DFAT’s risk management policy complies with requirements under the Public Governance, Performance and Accountability Act 2013 and follows the principles of the International Standard on Risk Management (AS/NZ 31000:2009). At the individual investment level, Annual Partner Performance Assessments are used to address the effectiveness of risk management and safeguard implementation. The process of accreditation of NGO partners, and regular performance assessment of multilateral delivery partners through the Multilateral Performance Assessment process (see response recommendation 24) also serves this purpose.

**Recommendation 32**

The Committee recommends that:

- subject to a successful conclusion of the pilot, the Australian Government adopt and implement the Extractives Industry Transparency Initiative; and
- Australian aid engagement should prefer companies in the extractives sector which support the Extractives Industry Transparency Initiative.

Response (input from Industry) Noted

The Australian Government recognises the important role of the Extractives Industry Transparency Initiative (EITI) in global extractives governance. A domestic pilot to establish whether it would be feasible for Australia to become an EITI-implementing country has concluded. The Multi Stakeholder Group of the EITI pilot recommended that implementation of an adapted EITI model would be appropriate in the Australian context, given Australia’s already robust reporting requirements. The Australian Government is considering the report of the Multi Stakeholder Group.

**Recommendation 33**

The Committee recommends the Department of Foreign Affairs and Trade:

- ensure staff have a highly developed expertise in, and understanding of, international standards and guidelines for business operations, particularly in those sectors which are priorities for the aid program; and
- be able to identify opportunities and connect businesses in Australia and overseas to global platforms, processes and frameworks, for example, the UN Global Compact.

Response Supported

Building staff awareness of the needs of business and informing business of international and domestic legal obligations, voluntary international business principles and corporate social responsibility norms are commitments under DFAT’s Charter for Economic Diplomacy and Australian Business. DFAT has subject matter experts across the department and staff can draw on this expertise as required. DFAT is increasing its investment in staff development to effectively implement the Ministerial Statement on Engaging the Private Sector in Aid and Development. This includes participating in training and professional courses conducted by donor partners, multilateral organisations, industry and academia. This skills development is taking place in both Canberra and in partner countries as appropriate.

DFAT has established partnerships with the UN Global Compact Network Australia and the Global Reporting Initiative. Staff, including at posts, have been provided with information on how to connect businesses to these organisations and their local networks, and to engage in professional development opportunities offered through these partners.

**Recommendation 34**

The Committee recommends that the Australian Government:

- continue to support improved aid-related data collection and use in policy-making with governments of countries in the Indo-Pacific region, particularly in relation to gender outcomes; and
• evaluate the performance of the 'Data for Health' initiative as soon as practicable with a view to replicating this model in other sectors inhibited by data paucity, for example education (school participation and attainment).

Response Supported

DFAT values the contribution that quality data makes to evidence-based policy, and supports partner governments to improve their data collection, analysis, and policy planning capabilities. The different impacts on men and women are particularly important, and DFAT supports efforts to disaggregate data accordingly.

Bloomberg Data for Health will improve public health data so that governments, aid organisations, and public health leaders are equipped to systematically collect and use data to prioritise health challenges, develop policies, deploy resources, and measure results. This partnership is in the early stages and has begun engaging with potential pilot countries. Clear performance and evaluation arrangements are to be established within the next six months. Lessons and outcomes from this program will be shared with other relevant teams in DFAT and external stakeholders as appropriate.

DFAT supports the Evidence and Data for Gender Equality Initiative to accelerate existing efforts to generate comparable gender indicators on health, education, employment, entrepreneurship and asset ownership. The Initiative is jointly managed by UN Women and the UN Statistical Division. The Initiative supports pilots of data collection against proposed indicators in developing countries. The Gender Equality and Women’s Empowerment Strategy (expected to be released in 2016) will help DFAT to assess progress against gender equality priorities.

Recommendation 35

The Committee recommends that the Australian Government market its aid effort in a more effective and powerful way, including by:

• reviewing and improving the effectiveness of its current international signage and branding; and
• developing effective ways to co-brand 'Australian Aid' and 'Australia Unlimited' to maximise recognition and benefits.

Response

Partially supported

DFAT works closely with its aid delivery partners to ensure appropriate and effective branding and signage. Comprehensive guidelines are being developed to assist all staff and partners in Australia and at post to implement mandatory branding across all DFAT’s work, including the aid program. The 'Australian Aid identifier' and 'Australia Unlimited' brand have unique and distinct purposes. Any co-branding would need to be considered on a case-by-case basis and ensure that messages and values, inherent to both brands, are conveyed concurrently and without misinterpretation. Co-branding may be appropriate for projects with a focus on public—private partnerships and private sector engagement.

Recommendation 36

The Committee recommends that the Department of Foreign Affairs and Trade develop and implement as a matter of priority a new communications strategy for the aid program. This strategy should recognise:

• the wide range of stakeholders who have varying levels of understanding and interest in the activities of Australia's aid program; and
• that a key stakeholder is the Australian taxpayer.
Response

Partially supported

Communicating the role of Australia's aid program in promoting regional and global prosperity, reducing poverty and enhancing stability is a core function for DFAT. DFAT is implementing comprehensive communications plans, in Australia and at posts, to promote Australian aid priorities and programs, and highlight the importance of the aid program to our national interest. DFAT is already working closely with stakeholders and aid delivery partners to ensure targeted and effective communication of Australia's aid program, and we will maintain this engagement.

DFAT's websites include the department's website and related websites for the innovationXchange, Australia Awards and the Australian Volunteers for International Development. The DFAT website provides key stakeholders, including Australian taxpayers, with detailed information about Australian aid priorities, budget, country-specific funding, development partnerships with international organisations, and aid performance management and results. Having this information publicly available also meets the Government's commitment to high standards of transparency and accountability in the management of the aid program. DFAT will continue to build on this web-based platform to ensure it includes up-to-date information about the aid program and upcoming opportunities for collaboration and partnering. Recognising the importance of diversifying our communications platforms to reach new audiences, DFAT is also expanding its use of social media in Canberra and at posts.

Recommendation 37

The Committee recommends that the Department of Foreign Affairs and Trade make clear that 'Australia is open for business partnering' on its website. Specifically, the Department should:

• increase cross-promotion with relevant portfolio agencies to engage with business and capture opportunities which target development;
• test the website on a range of stakeholders, particularly those outside the traditional base, to ensure value and ease of access; and
• monitor and report on the usage of the engagement portal with a view to continuous improvement.

Response

Supported

DFAT is currently undertaking a project to improve the ease of access for businesses to a range of DFAT services. This will include increasing cross-promotion with other portfolio agencies and government departments. DFAT will consider the Committee's recommendations as part of this project.

Following the recent launch of the Ministerial Statement on Engaging the Private Sector in Aid and Development the website has been updated to ensure the links between areas of interest to the private sector, including Business Envoy, private sector development programs and the New Colombo Plan (and its business internship and mentorship platform) are well integrated.

Australian Government response to the Senate Foreign Affairs, Defence and Trade References Committee Report:

China-Australia Free Trade Agreement

This is the Australian Government's response to the Senate Foreign Affairs, Defence and Trade References Committee report on the China-Australia Free Trade Agreement (ChAFTA), tabled on 17 June 2015.

The Government welcomes the Committee's final recommendation that prompt binding treaty action be taken in relation to ChAFTA. Australia has completed its domestic treaty-making processes and
following an exchange of notes with China on 9 December 2015, ChAFTA entered into force on 20 December 2015.

Recommendation 1
The committee recommends the Australian Government utilise the review of the investor-state dispute settlement provisions to further enhance the safeguards for Australia.

The Government notes the committee's recommendation. Following ChAFTA's entry into force on 20 December 2015, Australia and China shall conduct a review of ChAFTA investment provisions no later than 20 December 2018.

Recommendation 2
The committee recommends that binding treaty action be taken in relation to the Free Trade Agreement between the Government of Australia and the Government of the People's Republic of China.

Australia has completed its domestic treaty-making processes and ChAFTA entered into force on 20 December 2015.

Dissenting Report—Australian Greens

Recommendation

The Government does not accept this recommendation. Australia has completed its domestic treaty-making processes and ChAFTA entered into force on 20 December 2015.

Australian Government response to the Environment and Communications References Committee report:

Management of the Great Barrier Reef

April 2016

Introduction

The Great Barrier Reef is not only one of the natural wonders of the world, it is a significant part of Australia's national identity. Inscribed on the World Heritage List in 1981, the property is recognised as having Outstanding Universal Value (OUV). Given the broad scope of criteria under which the Reef was listed (the Great Barrier Reef meets the four natural criteria set out in Article Two of the World Heritage Convention), almost all attributes of its environment contribute to its OUV. This includes the values of the region including biodiversity, geomorphology, Traditional Owner connections, ecological processes, aesthetic values and natural phenomena.

For almost 40 years, the Great Barrier Reef has been managed as a multiple-use marine protected area, providing for protection and allowing for ecologically sustainable use, supporting a range of commercial and non-commercial activities. In managing the Great Barrier Reef, environmental, economic and social aspects are continually considered in order to achieve the best outcomes for both the Great Barrier Reef and the community.

The Outlook Report 2014 found that while the OUV and integrity of the Great Barrier Reef World Heritage Area remain in good condition, it is under pressure. The report identified that the greatest risks to the Reef are climate change, poor water quality from land-based run-off, impacts from coastal development and some remaining impacts from fishing and illegal fishing and poaching. It recognised significant management improvements and substantial investments in recent years and concluded that it will take time to turn around the overall outlook for the Reef and to improve its resilience and capacity to recover from both contemporary and legacy impacts.
Management Initiatives

Maintaining and protecting the OUV of the Reef and its natural integrity and cultural values is a critical priority for the Australian and Queensland governments. Both governments have undertaken a number of key initiatives outlined below to ensure that the Great Barrier Reef World Heritage Area is managed with a strong focus on protection and sustainable use.

The Comprehensive Strategic Assessment

The comprehensive strategic assessment of the Great Barrier Reef World Heritage Area and adjacent coastal zone was endorsed by the Australian and Queensland environment ministers and was the largest of its kind in the world. The comprehensive strategic environmental assessment analysed impacts affecting the Reef from activities on both land and water, assessed the effectiveness of existing management arrangements and identified improvements to strengthen management of the Great Barrier Reef World Heritage Area.

The Reef 2050 Plan

The Reef 2050 Plan responds to the challenges facing the Reef and presents actions to protect its values, health and resilience while allowing ecologically sustainable development and use.


The biggest identified long term threat, climate change, is a global problem. It requires a global solution which is why Australia is an active participant in international efforts and has in place significant domestic plans and targets.

Developing ecosystem resilience in the face of a variable and changing climate is a key principle of the Plan. By improving water quality, maintaining biodiversity and ensuring port development and shipping has minimal impact on the Reef, it is targeting activities over which governments and other stakeholders have most control.

Tangible outcomes, objectives and measurable targets have been identified across seven themes — biodiversity, ecosystem health, heritage, water quality, community benefits, economic benefits and governance — to form an integrated management framework.

The Plan drives greater coordination, efficiency and effectiveness of all Reef programs and activities. It describes how all levels of government, non-government organisations, industry and community groups can work together to strengthen and develop initiatives for the Reef.

The Plan was developed by government in partnership with industry, community, Indigenous and conservation stakeholders and was submitted to the World Heritage Centre in early March 2015 for consideration at the 39th session of the World Heritage Committee. The final decision of the World Heritage Committee was to keep the Great Barrier Reef off its world heritage in-danger list. This unanimous decision acknowledges the strong response that Australia and Queensland have put in place through the development and implementation of the Reef 2050 Plan.

The North-East Shipping Management Plan

The North-East Shipping Management Plan, released in October 2014, enhances ship safety and environmental protection in the north-east region of Australia. The Plan specifically considers shipping-related risks to the OUV of the Great Barrier Reef World Heritage Area and identifies measures, implemented through a work program, for preventing or mitigating ship-sourced pollution and other environmental impacts of shipping.

Reef Trust

The Reef Trust is a key mechanism for delivering on the Reef 2050 Plan combining both Australian Government and private funds to focus on improving coastal habitats; reducing key pollutant loads to
improve water quality entering the Great Barrier Reef; maintaining and enhancing the viability of threatened and migratory species and reducing significant threats to the Reef including crown-of-thorns starfish; and counter balancing impacts on matters of national and state environmental significance through delivery of offsets.

The Reef Trust is being developed and implemented in a phased approach with initial investments in high priority areas now underway.

The Australian Government made an initial contribution of $40 million to the Reef Trust to address key threats to the Reef. In March 2015, the Australian Government announced an additional $100 million for the Reef Trust, bringing total investment to $140 million. This will provide the opportunity for cost effective, strategic investment that will build on the existing funding commitments and help to deliver on the Reef 2050 Plan.

Queensland water quality

In addition to its $35 million a year investment in improving water quality, the Queensland Government has committed an additional $100 million over five years towards water quality initiatives, scientific research and helping business transition to better environmental practices in the primary production and fishing industries. This further investment will focus on reducing nutrient and sediment loads to minimise the effect of land-based run-off in Reef catchments, helping to build the Reef's resilience to climate change.

Dredging and port development

When the current Australian Government was elected in September 2013 there were five capital dredging projects either planned or under active assessment that proposed to dispose of dredge material in the Marine Park. The Australian Government has reduced that number to zero. To ensure that position continues, in May 2015 the Australian Government used its regulatory powers to permanently ban the disposal of capital dredge material in the Great Barrier Reef Marine Park. The regulation, under the Great Barrier Reef Marine Park Regulations 1983, came into effect on 2 June 2015.

In November 2015, the Queensland Government passed the Sustainable Ports Development Bill 2015 which enacts key port-related commitments under the Reef 2050 Plan. The Act extends the ban on the disposal of capital dredge material to the remainder of the World Heritage Area, restricts new port development to within current port limits and prohibits major capital dredging for the development of new, or expansion of existing, port facilities outside the four priority ports of Gladstone, Abbot Point, Townsville and Hay Point/Mackay. The Act also mandates strategic master planning at the four priority ports.

The Committee's recommendations

More than three decades after its inscription on the World Heritage List, the Australian Government continues to give high priority to protecting and conserving this vast 348,000 km² property. Australia has demonstrated substantial progress and commitment in responding to the challenges of conserving the property.

The Australian and Queensland governments have made, and continue to make, substantial investment and commitment to the protection and management of the Great Barrier Reef. Governments will continue to work with the community to focus on the effective future protection of the Reef and integrating and strengthening management measures protecting the Great Barrier Reef environment as a whole, through implementation of the Reef 2050 Plan.

RESPONSE TO COMMITTEE REPORT

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precautionary principle, no further approvals should be given under the Environment Protection and Biodiversity Conservation Act 1999 or the Environment Protection (Sea Dumping) Act 1981 for the disposal of dredge spoil in the Great Barrier Reef World Heritage Area until the Great Barrier Reef Marine Park Authority and Australian Institute of Marine Science Dredge Panel work is finalised.

The decision to grant an approval under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) or the Environment Protection (Sea Dumping) Act 1981 must be made by the Minister or delegate on a case by case basis in accordance with the relevant legislation. Both Acts set statutory timeframes for the Minister to make approval decisions.

Ports are required to service a range of industries in the Great Barrier Reef including resource development, agriculture, tourism and fishing. Approvals for dredging are required on a regular basis to both maintain existing port operations and build new infrastructure. The recommendation as it stands may impact on existing port operations.

In May 2015, the Australian Government passed regulations to ban disposal of dredge material from capital dredging in the Great Barrier Reef Marine Park. The ban applies to all past and present permits and future applications for capital dredge disposal. The new regulation, under the Great Barrier Reef Marine Park Regulations 1983, took effect on 2 June 2015.

In November 2015, the Queensland Government passed the Sustainable Ports Development Bill 2015 which enacts key port-related commitments under the Reef 2050 Plan. The Act extends the ban on the disposal of capital dredge material to the remainder of the World Heritage Area, restricts new port development to within current port limits and prohibits major capital dredging for the development of new, or expansion of existing, port facilities outside the four priority ports of Gladstone, Abbot Point, Townsville and Hay Point/Mackay. The Act also mandates strategic master planning at the four priority ports.

**Recommendation 2:** The committee recommends that the Minister for the Environment examine whether a cap or a ban should be introduced on the disposal of dredge spoil in the Great Barrier Reef World Heritage Area.


In November 2015 the Queensland Government passed a Bill to extend the ban on capital dredge disposal to
cover the rest of the World Heritage Area. The ban across the entire World Heritage Area will help to reduce cumulative pressures on this vast and spectacular ecosystem and aid in improving its health and resilience.

The Reef 2050 Plan presents a comprehensive strategy to protect the Reef's values into the future while allowing ecologically sustainable development and use. The Plan includes several commitments to improve water quality from dredging activities that have been developed in partnership with industry, community and the Queensland Government.

**Recommendation 3:** The committee recommends that the Department of the Environment ensure that conditions of approval under the *Environment Protection and Biodiversity Conservation Act 1999* are stringently worded, monitored and enforced.

Agreed.

The Department of the Environment has undertaken a comprehensive business improvement program to not only increase the capacity to monitor approval conditions, but also to ensure that compliance monitoring resources are allocated to those projects that pose the greatest risk to nationally protected matters.

**Recommendation 4:** The committee recommends that the Minister for the Environment ensure that funding for, and resourcing and staffing levels within, the Department of the Environment are sufficient to ensure adequate capacity to monitor and enforce conditions of approval under the *Environment Protection and Biodiversity Conservation Act 1999*.

Noted.

The Department of the Environment has undertaken a comprehensive business improvement program to not only increase the capacity to monitor approval conditions, but also to ensure that compliance monitoring resources are allocated to those projects that pose the greatest risk to nationally protected matters.

**Recommendation 5:** The committee recommends that the Reef 2050 Long-Term Sustainability Plan be drafted and finalised, subject to full community consultation, as a matter of high priority.

Agreed.

The Reef 2050 Plan was finalised and released in March 2015 following extensive consultation. Preliminary public consultation was undertaken on the Plan between 1 November 2013 and 31 January 2014 as part of the Australian and Queensland governments' comprehensive strategic assessment process.

The Plan was further developed by the Australian and Queensland governments in close consultation with a partnership group, comprised of representatives from the resources, ports, tourism, fishing and agriculture sectors, as well as from Indigenous, research, conservation groups, and local government. Public consultation on the Plan was undertaken for a six week period from 15 September until 27 October 2014 and included meetings with key stakeholders and information sessions in regional Queensland.
Recommendation 6: The committee recommends that the Reef 2050 Long-Term Sustainability Plan bring together all existing strategies, plans and reports in relation to the Great Barrier Reef.

Agreed.

The Reef 2050 Plan identifies the actions that must be taken to protect the Reef for future generations. It brings programs and activities together to ensure greater coordination, efficiency and effectiveness. It describes how all levels of government, non-government organisations, industry and community groups can work together to further strengthen existing and implement new initiatives for the Reef.

In addition, as part of the Plan a Great Barrier Reef Plan Register will be established with all management plans recorded to simplify understanding of management arrangements.

Recommendation 7: The committee recommends that the Australian and Queensland Governments ensure that the Reef 2050 Long-Term Sustainability Plan contains concrete targets and actions to improve the health of the Great Barrier Reef.

Agreed.

The Plan contains an outcomes framework that provides a structured approach to management planning. The outcomes framework identifies seven themes—ecosystem health, biodiversity, heritage, water quality, community benefits, economic benefits and governance. Each theme within the outcomes framework has an outcome, objectives, targets and actions. The outcomes, objectives and targets maintain a clear line of sight between on-ground actions and the attributes that contribute to the Outstanding Universal Value (OUV) of the Reef.

To ensure that the Plan is effective, the targets have been designed to be Specific, Measureable, Achievable, Realistic, and Time-Bound (SMART). Actions have clear ownership and support. Targets and actions were informed by comments received during the public consultation period and expert review. This included working with representatives from key stakeholder groups, through a 'program logic' process, to articulate the relationships between outcomes, objectives, targets and actions, and identify measures of success.

Recommendation 8: The committee recommends that the Australian and Queensland Governments ensure that the Reef 2050 Long-Term Sustainability Plan adequately addresses the cumulative impacts of all activities on the Great Barrier Reef Region and its world heritage values.

Agreed.

The Reef 2050 Plan commits to developing guidelines for assessing cumulative impacts and a net benefit policy for the Great Barrier Reef to guide future planning and development decisions. Principles for decision making outlined in the Plan have a focus on delivering a net benefit to the ecosystem. Many of the actions and targets in the Plan are aimed at reducing impacts to the Reef to ensure cumulative impacts are managed below threshold levels and ensure
Recommenda**tion 9**: The committee recommends that funding for, and staffing for the Australian Institute of Marine Science be maintained, and wherever possible, increased, in order to ensure that they can continue to conduct the important research work needed to support management and decision-making in relation to the Great Barrier Reef.

Noted.

Resourcing decisions will be taken by the Government in the context of its overall budget decisions.

The Australian Institute of Marine Science (AIMS) is resourced to conduct important research work to support management and decision-making in relation to the Great Barrier Reef.

**Recommendation 10**: The committee recommends that the Australian National Audit Office expand its proposed and current audits relating to the Great Barrier Reef to include an audit of the performance of the Great Barrier Reef Marine Park Authority.

Not supported.

The Auditor-General is an independent officer of the Parliament. Decisions to undertake audits are a matter for the Auditor-General and are taken in the context of available resources and other audit priorities.

The Australian Government notes that on 13 August 2015, the Australian National Audit Office (ANAO) tabled in the Parliament a performance audit examining the *Regulation of the Great Barrier Reef Marine Park Permits and Approvals* by the Great Barrier Reef Marine Park Authority (GBRMPA). The Australian Government, through GBRMPA has accepted the recommendations in this report without qualification and had already identified the need to strengthen its permissions system through commitments in the *Great Barrier Reef Region Strategic Assessment Program Report*. GBRMPA has commenced this work and over the next four years will stage the implementation of initiatives designed to enhance and strengthen the permissions system while maintaining high environmental standards.

Independent assessments of management effectiveness have already been conducted as part of the Strategic Assessment of the Great Barrier Reef Region and the Great Barrier Reef Outlook Reports for 2009 and 2014. These independent assessments used the International Union for the Conservation of Nature (IUCN) and World Commission on Protected Areas (WCPA) framework for assessing management effectiveness which has been widely applied around the world.

**Recommendation 11**: The committee recommends that funding and staffing of the Great Barrier Reef Marine Park Authority be maintained in order to ensure that it can concentrate on providing independent, world-class management of the Great Barrier Reef.

Noted.

Resourcing decisions will be taken by the Government in the context of its overall budget decisions.

Over four decades, GBRMPA has established a strong and comprehensive set of management arrangements to protect the Reef and adapted them in response to emerging issues and improved understanding.
Resources are directed on the basis of these arrangements.

The strategic assessment demonstrated that GBRMPA's management is effective for activities within the Region for which the Authority has direct jurisdictional control. Partnerships will continue to play a central role in the Authority's forward program for the protection and management of the Reef, including for more jurisdictionally complex issues.

**Recommendation 12:** The committee recommends that the Great Barrier Reef Marine Park Authority create a single, searchable database of all relevant reports and publications relating to the Great Barrier Reef.

**Noted.**

GBRMPA is working with the Queensland Government, AIMS, CSIRO and James Cook University to develop an integrated Reef-wide monitoring and reporting program to provide comprehensive and systematic monitoring and reporting of:

- the condition and trend of the Reef's key values and processes related to matters of national environmental significance
- individual (direct and indirect) and cumulative impacts acting on the values
- ecosystem thresholds, environmental standards and trigger levels for the protection of values.

The program will improve the integration and coordination of existing monitoring programs through the development and implementation of standardised protocols for information collection, collation analysis, reporting and data availability.

This will improve the scalability of data (from point source or local, to regional and Reef-wide scales) and synthesis of information from different sources. This will provide a more comprehensive and systematic understanding of the condition of values and scale of impacts.

The program will also incorporate the knowledge and monitoring information of Traditional Owners, stakeholders and the broader community.

This program will improve public accessibility to information about the Reef's values, impacts affecting values and the effectiveness of management responses.

In addition, as part of the Reef 2050 Plan a Great Barrier Reef Plan Register will be created with all management plans recorded to simplify understanding of management arrangements. This will be made publicly available to improve accessibility to the management framework for the
Recommendation 13: The committee recommends that the Australian Government take strong action, and an international leadership role, on the issue of climate change.

Agreed.

The Australian Government is firmly committed to reducing Australia's emissions to meet its target of five per cent below 2000 levels by 2020. The centrepiece of the Government's approach is the $2.55 billion Emissions Reduction Fund (ERF). The ERF is already providing the impetus for businesses and the community to improve practices, invest in new technologies, and reduce our emissions.

Under the ERF's first two auctions, contracts have been awarded to deliver 92.8 million tonnes of emissions reductions from 275 projects across Australia. These reductions have been secured at an average price of $13.12 per tonne of abatement. This is the largest emissions reduction commitment by business ever in Australia and will be built upon by subsequent ERF auctions.

An increasing range of methods are now available under the ERF to capture emissions reduction opportunities across the Australian economy, including in the agriculture, coal mining, commercial building, forestry, landfill gas, transport, and waste sectors.

The Australian Government accepts the science of climate change and supports national and global efforts to reduce greenhouse gas emissions. The Government announced on 11 August 2015 that Australia will reduce emissions to 26-28 per cent below 2005 levels by 2030.

Australia played a significant role in the recent climate change negotiations in Paris, chairing the Umbrella Group of non-European Union developed countries and joining a "High Ambition Coalition". Australia worked constructively with other nations to secure an ambitious, effective and enduring outcome, which for the first time requires all countries to take action to reduce global greenhouse gas emissions.

Recommendation 14: The committee recommends that the Minister for the Environment examine the Reef Water Quality Protection Plan to identify explicit load reduction targets as well as management strategies to achieve these targets.

Agreed.

The Reef Water Quality Protection Plan 2013 is a joint Australian and Queensland government initiative which sets targets to improve the quality of water entering the Reef. It details management actions that will be undertaken to achieve specified targets by 2018, when the Reef Water Quality Protection Plan will be reviewed. These targets are also embedded in the Reef 2050 Plan which outlines more ambitious targets to
The targets in Reef Water Quality Protection Plan were set based on the best available science. It is acknowledged in Reef Water Quality Protection Plan that there is a gap in knowledge about what load reductions in which pollutants will be required to maintain Reef health and achieve GBRMPA's marine water quality guidelines at a Reef-wide scale. Addressing this knowledge gap is a key deliverable of the Plan. It is anticipated that information will be available within the life of Reef Water Quality Protection Plan and will help to further refine this plan's targets over time. As the targets are further refined, the management strategies to achieve the targets would also be examined and refined.

**Recommendation 15:** The committee recommends that research funding be directed towards improving farming technologies, such as fertilisers, to make them more cost effective and less likely to negatively impact on the water quality of the Great Barrier Reef.

Agreed.

Through Reef Water Quality Protection Plan 2013, the Australian and Queensland governments are continuing to focus on coordinating, integrating and improving partners' knowledge of farming technologies to make them more cost effective and less likely to negatively impact on water quality. A five year research, development and innovation strategy has been developed, and continues to be updated, to identify research and development priorities and encourage identification of innovative ways of reducing nutrient, pesticide and sediment runoff.

The Australian Government is continuing to invest in improving farming technologies, through the delivery of the Reef Programme and Reef Trust by:

- Providing support for trialling innovative cane, grazing, grains, dairy and horticulture practices.
- Funding a project to fast-track the adoption of ‘game changing’ sugarcane nutrient and pesticide management practices.
- Trialling of innovative practices, including estimation of water quality benefits, through a series of paddock scale monitoring and demonstration farm sites for cane, grazing, bananas and grains.
- Providing incentives for cane farmers to trial innovative practices to improve nitrogen use efficiency.

In addition, the Australian Government supports:

- **Department of Agriculture and Water Resources**
innovation grants.

- Funding for research through industry bodies such as Sugar Research Australia.
- Funding for the National Environmental Research Programme to deliver research into improving water quality in the Great Barrier Reef Marine Park.
- Funding for the delivery of the National Environmental Science Programme, including funding in 2015 for the Tropical Water Quality Hub for research that will maintain and improve coastal and marine water quality, particularly focused on the Great Barrier Reef, Torres Strait and other tropical waters.

Over five years the Queensland Government will provide $100 million towards water quality initiatives and helping businesses transition to better practices in the primary production and fishing industries. A comprehensive investment strategy for 2016-2020 will be developed within 6-12 months.

Recommendation 16: The committee recommends that the Minister for the Environment commission a scientific review of the impacts on water quality of farm-related products. In undertaking such a review, the committee recommends that an assessment be undertaken of:

- the potential benefits of new farming technologies, including use of new types of fertiliser; and
- mechanisms to decrease the use of pesticides.

Through the Reef Water Quality Protection Plan 2013, the Australian and Queensland governments are focused on coordinating, integrating and improving partners’ knowledge of the impacts on water quality of diffuse source pollution from broadscale land use. The establishment of Reef Water Quality Protection Plan in 2003 and the updates in 2009 and 2013 were supported by scientific consensus statements that included consideration of the impacts of farm-related products on water quality.

As part of the implementation of the Reef Water Quality Protection Plan, a five year research, development and innovation strategy has been developed, and continues to be updated, to identify research and development priorities and encourage identification of innovative ways of reducing nutrient, pesticide and sediment runoff.

As a result of major investments in research and development, there continue to be significant advances in scientific understanding of the problem and solutions. For instance, through Reef Water Quality Protection Plan the Australian and Queensland governments are supporting researchers and agronomists to improve pesticide application methods. Highly efficacious methods, including dual spraying and banded spraying in sugarcane have already been developed. These methods reduce pesticide application rates by up to 90 per cent, with a
concurrent reduction in environmental risk to the Reef.

Through Reef Programme, the Australian Government has commissioned a detailed review of nitrogen use efficiency in sugarcane (the highest priority intensive agricultural land use in the Reef catchment). A significant component of this review will be an analysis of the potential for new types of fertiliser (e.g. controlled release, nitrification inhibitors) to increase nitrogen use efficiency of cane crops whilst reducing the runoff of nitrogen to the Reef.

In addition, the Queensland Government has established and resourced a high level taskforce to determine the best approach to achieve up to an 80% nutrient run-off and up to a 50% reduction in sediment runoff from key catchments into the Great Barrier Reef by 2025. The taskforce is chaired by Queensland's Chief Scientist and presented an interim report in December 2015, and will present a final report by May 2016.

**Recommendation 17**: The committee recommends that the Australian Government work closely with stakeholders to deliver enhanced environmental outcomes through the Reef Trust Programme and the Reef Water Quality Protection Plan. Agreed.

Ongoing consultation with the community on the Reef Trust and Reef Programme is integral to the delivery of enhanced Reef health and resilience outcomes. Engagement with scientific institutions, key community groups and the broader public has been critical in designing and delivering the two programs. Continued consultation will ensure the programs remain well-informed and adaptive as the challenges they address evolve.

The Australian Government is working closely with stakeholders to deliver enhanced environmental outcomes through the delivery of the Reef Trust and Reef Programme. The delivery of both programs involves partnering with a large and varied number of stakeholders and involves collaboration with research institutions and industry groups.

For instance, through the delivery of Reef Programme and Reef Trust the Department of the Environment is working with GBRMPA, the Association of Marine Park Tourism Operators, the Queensland Government and a range of scientific organisations to deliver enhanced environmental outcomes by supporting a range of integrated research and control activities to deal with the outbreak of crown-of-thorns starfish.

**Recommendation 18**: The committee recommends that there should be a strict adherence to the precautionary principle when assessing the potential impact of the

**Noted.**

The Minister, or delegate, must take account of the precautionary principle when making, among other things, referral and approval decisions under the
development of Northern Australia, especially in previously undeveloped areas in catchments of the Great Barrier Reef.

EPBC Act (section 391).

This is reiterated in the decision making principles outlined in the Reef 2050 Plan, which states that “decisions are underpinned by the principles of ecologically sustainable development, including the precautionary principle”.

In the Great Barrier Reef Marine Park Act 1975, the precautionary principle means the principle that lack of full scientific certainty should not be used as a reason for postponing a measure to prevent degradation of the environment where there are threats of serious or irreversible environmental damage. GBRMPA applies the precautionary principle when assessing development proposals.

Recommendation 19: The committee recommends that the Queensland Government provide funding to local government authorities to assist with the upgrade of sewage treatment plants in the Great Barrier Reef catchment areas.

Noted.

This recommendation relates to the responsibilities of the Queensland Government who have provided the following information in response to this recommendation.

There are 36 major sewage treatment plants in the Great Barrier Reef catchments. Great Barrier Reef Catchment Loads Monitoring Program monitoring between 2007 and 2010 confirmed low contributions of sewage treatment plants to average annual loads for total suspended solids (0.005 per cent), and total nitrogen and total phosphorus (1.8 per cent).

In the decade up to 2012, about $620 million was invested in upgrading sewage treatment plants to a tertiary treatment standard in the three largest coastal cities adjacent to the Great Barrier Reef — Cairns, Townsville and Mackay. Most population centres that discharge sewage via waterways that lead to the Reef now treat their sewage to tertiary standard. All levels of government and the coastal communities have contributed to these initiatives. There remains a number of smaller communities along the coast that discharge secondary treated sewage to waterways that lead to the Great Barrier Reef, or that are serviced by septic systems. In these communities, it is currently not considered to be economically viable to upgrade to tertiary treatment.

Recommendation 20: The committee recommends that the Queensland Government improve the enforcement of the Transport Operations (Marine Pollution) Act 1995 and associated regulations prohibiting the discharge of...
sewage from vessels into the waters of the Great Barrier Reef.

Further, the committee recommends that the Queensland Government provide funding for improved facilities at ports for the effective treatment and disposal of sewage originating from vessels in and around the Great Barrier Reef.

Maritime Safety Queensland, a branch of the Queensland Department of Transport and Main Roads, conducts regular vessel monitoring inspections on commercial vessels and their operations. In 2013, Maritime Safety Queensland added *Transport Operations (Marine Pollution) Act 1995* requirements, including sewage obligations, to the standard inspection checklist that is used by all Marine Safety Inspectors when they monitor a vessel.

Maritime Safety Queensland has also carried a number of targeted compliance activities which have included assessment of compliance with the *Transport Operations (Marine Pollution) Act*. The following operations have been conducted since 2013:


Maritime Safety Queensland has facilitated a change to Queensland's State Planning Policy to make it a requirement for any marina development that caters for over 6 vessels to have available a common user facility for the handling of ship sourced pollutants including oil, garbage and sewage. These provisions have been in place since 2013 and are required to be complied with by local councils when assessing and approving development applications for facilities of this nature.

**Recommendation 21:** The committee recommends that the Minister for the Environment afford higher levels of environmental protection to areas on, or adjacent to, the Great Barrier Reef, including the Fitzroy River Delta and the Noted.

The Reef is subject to high levels of environmental protection. Under the EPBC Act, the Great Barrier Reef World Heritage Area, the Great Barrier Reef Marine Park and the Great Barrier Reef National Heritage Place are matters of national environmental
significance, as are a number of threatened and migratory species that use these waters. Actions taken within or surrounding the Reef require assessment if those actions are likely to have a significant impact on any protected matters.

The Great Barrier Reef Marine Park, which covers approximately 99% of the Great Barrier Reef World Heritage Area, is subject to high levels of environmental protection under the Great Barrier Reef Marine Park Act 1975. A new regulation under this Act was established in May 2015 to prohibit the disposal of dredge material in the Marine Park from capital dredging projects such as port developments. The new regulation came into effect on 2 June 2015.

The Queensland Government has fulfilled its commitment to protect the Fitzroy Delta, Keppel Bay and North Curtis Island through the Sustainable Ports Development Bill, passed in November 2015. Port Alma will not be a priority port and will not be included in the master planned area of the priority port of Gladstone. Port master planning for Gladstone will commence in 2015.

A number of actions in the Reef 2050 Plan will contribute to environmental protection in the Fitzroy River area, including:

- Protecting the Fitzroy Delta, including North Curtis Island and Keppel Bay, by:
  - extension and strengthened conservation zoning
  - extension of the existing Fish Habitat area
  - additional protections in associated intertidal and terrestrial areas.

- Establishing three net-free fishing zones in north and central Queensland: Trinity Bay, Cairns; St Helen’s Beach-Cape Hillsborough, north of Mackay; and Yeppoon-Keppel Bay-Fitzroy River, Capricorn Coast. These were established by Queensland regulation and came into effect on 1 November 2015.

- Increasing industry participation in regional water quality improvement initiatives and partnerships aimed at managing, monitoring and reporting of water quality.

- Continuing to engage in and support the Gladstone Healthy Harbour Partnership, Mackay Whitsunday Healthy Rivers to Reef Partnership and Fitzroy Partnership for River Health.
Recommendation 22: The committee recommends that the Minister for the Environment examine measures to reduce coal particulate pollution in the Great Barrier Reef Region.

Agreed.

Recommendation 23: The committee recommends that the relevant Minister(s) examine whether the Australian Government should adopt the International Maritime Organization’s Guidelines for the Reduction of Underwater Noise from Commercial Shipping to Address Adverse Impacts on Marine Life.

Noted.

The Reef 2050 Plan includes a commitment to identify the risk of coal dust impacts on the Reef and associated potential management measures.

Australia participated in the development of the International Maritime Organization’s Guidelines for the reduction of underwater noise from commercial shipping to address adverse impacts on marine life (MEPC.1/Circ.833)—published in April 2014. These non-mandatory guidelines apply to commercial ships and are intended to provide general advice about reduction of underwater noise to designers, shipbuilders and ship operators, through both design and operational and ship maintenance measures.

The guidelines consider common technologies and measures that may be relevant to the commercial shipping industry but also encourage designers, shipbuilders, and ship operators to consider technologies and operational measures beyond those included in the guidelines, which may be more appropriate for specific applications.

The guidelines are explicitly non-mandatory and advisory in nature and are not intended to be adopted as part of national marine safety laws and regulations. However, the Australian Maritime Safety Authority (AMSA) intends to actively encourage the use of the guidelines at relevant international and national fora and with representative industry bodies. Actions 37 to 40 of the North East Shipping Management Plan outline further ongoing actions to address potential interference with marine fauna.

Additionally, GBRMPA has committed to developing a new guideline specific to the Great Barrier Reef on the assessment and management of underwater noise impacts on species. GBRMPA will consider the best available science and management in developing this guideline.

The Queensland Government has committed to work with its Commonwealth counterparts and the International Maritime Organization to consider the development of a new vessel class which ensures bulk goods carriers travelling in the World Heritage Area meet stringent safety codes.

Recommendation 24: The committee Noted.
The North East Shipping Management Plan was finalised in October 2014. The Plan will be subject to review and amendment by the North East Shipping Management Group and consultation with stakeholders as new information becomes available. The North East Shipping Management Group acknowledge the importance of stakeholder consultation in realising practical benefits of the plan. Accordingly, there are several actions in the North East Shipping Management Plan (items 60-63) emphasising the importance of continuing industry and stakeholder consultation. These include establishment of a North-East Shipping Management Consultative Group consisting of industry, regulators and environmental groups to provide input to further develop the work plan; working with industry to initiate a follow up study of shipping growth; and ensuring the Water Space Management Working Group continues as a consultative body for users of the waters in the South West Coral Sea, Great Barrier Reef and Torres Strait.

Public consultation on actions that may have cost implications for business will also occur, including referral to the Office of Best Practice Regulation for assessment and Australian Government approval.


Not agreed.

An approval bilateral agreement under the EPBC Act requires approval by both the Australian Government and the relevant state or territory government.

The Australian Government will work collaboratively with the Queensland Government to deliver reforms that bring economic benefits while maintaining environmental standards.

The Australian Government is committed to delivering a One-Stop Shop for environmental approvals that will accredit state planning systems under national environmental law, where high environmental standards are met.

The Minister may only accredit a state or territory approval process where the Minister is satisfied that the process is consistent with the objects of the EPBC Act and that projects approved under the process will not have unacceptable or unsustainable impacts on matters of national environmental significance.
Recommendation 26: The committee recommends that the Environment Protection and Biodiversity Conservation Amendment (Bilateral Agreement Implementation) Bill 2014 not be passed. Not agreed.

The Australian Government is committed to delivering a One-Stop Shop for environmental approvals that will accredit state planning systems under national environmental law, where high environmental standards are met.

The Minister may only accredit a state or territory approval process where the Minister is satisfied that the process is consistent with the objects of the EPBC Act and that projects approved under the process will not have unacceptable or unsustainable impacts on matters of national environmental significance.

Recommendation 27: The committee recommends that the Minister for the Environment, conduct a review to examine ways to improve the rigour and independence of the environmental assessment process under the Environment Protection and Biodiversity Conservation Act 1999. Noted.

The EPBC Act sets out the requirements for conducting an assessment of an action which requires approval under the Act. All assessments are conducted in accordance with the requirements of the Act, and general principles of administrative law. This means that the Minister or delegate must make an approval decision free from any bias. Proposed actions must be assessed using one of the different methods detailed in Part 8 of the EPBC Act.

Approval decisions made under the EPBC Act are subject to judicial review under the Administrative Decisions (Judicial Review) Act 1977, including on the grounds that the requirements of the Act were not fulfilled or the decision maker made a decision at the behest of another person.

Section 55A requires the Minister to cause independent reviews to be taken of the operation of the EPBC Act, to the extent to which the objects of the Act have been achieved. Reviews must be undertaken every 10 years. The first review was completed in 2009.

Recommendation 28: The committee recommends that the Department of the Environment develop a separate offsets policy in relation to the marine environment. Noted.

The principles of the EPBC Act environmental offsets policy apply to offsetting requirements in both the terrestrial and aquatic, including marine, environments.

The Reef 2050 Plan commits to developing a net benefit policy for the Great Barrier Reef to guide future planning and development decisions. This will provide guidance on the application of environmental offsets and delivery of actions that will result in a net environmental benefit or improvement in condition of the Reef's values.
The Australian Government is also working with the states and territories to develop and implement more detailed approaches to marine offsets, including through strategic approaches such as the Reef Trust.

**Recommendation 29:** The committee recommends that the Environment Protection and Biodiversity Conservation Act 1999 Environmental Offsets Policy be revised to provide greater guidance on developments in which offsets are unacceptable, such as a list of ‘red flag’ areas, including within the Great Barrier Reef World Heritage Area.

Not agreed.

The Australian Government acknowledges that the application of offsets may not be appropriate in all cases. Decisions on offsets are made on a project by project basis. The offsets policy makes it clear that the avoid, mitigate and offset hierarchy must be followed, and offsets used only when all reasonable avoidance and mitigation options have been considered. Offsets do not enable proposals with unacceptable residual impacts to be approved.

**RESPONSE TO GREENS DISSENTING REPORT**

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recommendation 1: Ban offshore dumping - The Australian government must not approve any new offshore dumping in the Great Barrier Reef World Heritage Area, including spoil from capital and maintenance dredging, and including not approving any projects which have already been applied for but not yet approved.</td>
<td>Not agreed. In May 2015, the Australian Government passed regulations to ban disposal of dredge material from capital dredging in the Great Barrier Reef Marine Park. The ban applies to all past and present permits and future applications for capital dredge disposal. In November 2015, the Queensland Government passed a Bill to extend the ban on capital dredge disposal to cover the rest of the World Heritage Area. The ban across the entire World Heritage Area will help to reduce cumulative pressures on this vast and spectacular ecosystem and aid in improving its health and resilience. The decision to grant an approval under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) or the Environment Protection (Sea Dumping) Act 1981 must be made by the Minister or delegate on a case by case basis in accordance with the relevant legislation. Both Acts set statutory timeframes for the Minister to make approval decisions. Ports are required to service a range of industries in the Great Barrier Reef including resource development, agriculture, tourism and fishing. Approvals for dredging are required on a regular basis to both maintain existing port operations and build new infrastructure. The recommendation as it stands may impact on existing port operations.</td>
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<tr>
<td>Recommendation 2: That Minister Hunt immediately revoke the approvals for the</td>
<td>Noted. In May 2015, the Australian Government passed</td>
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Abbot Point coal port expansion and the associated offshore dumping of dredge sludge.

regulations to ban disposal of dredge material from capital dredging in the Great Barrier Reef Marine Park. A ban on capital dredging in the Marine Park extends to that previously permitted by the Great Barrier Reef Marine Park Authority. In November 2015 the Queensland Government passed a Bill to extend the ban on capital dredge disposal to cover the rest of the World Heritage Area.

Ports are required to service a range of industries in the Great Barrier Reef including resource development, agriculture, tourism and fishing. Approvals for dredging are required on a regular basis to both maintain existing port operations and build new infrastructure.

In April 2015, the Department of State Development Queensland submitted a referral for the proposed Abbot Point Growth Gateway project, including the onshore placement of dredge material. On 14 May 2015, the Australian Government notified the Department of State Development that an Environmental Impact Statement would be required to assess the impacts of the project. The public comment period on the draft Environmental Impact Statement closed on 18 September 2015.

A final decision on this project will be made by the federal Environment Minister or delegate in accordance with the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act).

**Recommendation 3**: Funding and staffing of the GBRMPA should be increased in order to ensure that they can provide independent, world-class management of the Great Barrier Reef Marine Park.

Noted.

Over almost four decades, GBRMPA has established a strong and comprehensive set of management arrangements to protect the Reef and adapted them in response to emerging issues and improved understanding. Resources are directed on the basis of these arrangements.

The strategic assessment demonstrated that GBRMPA’s management is effective for activities within the Region for which the Authority has direct jurisdictional control.

**Recommendation 4**: The GBRMPA should review its staffing structure in order to ensure that it is acting in an independent manner.

Noted.

GBRMPA staff are engaged under the Australian Public Service Act 1999 and carry out their duties in accordance with the Australian Public Service code of conduct.

GBRMPA regularly reviews its staffing structure and delegation of powers to ensure that decisions are consistent with the Great Barrier Reef Marine Park
Recommendation 5: The GBRMP Act should be amended to ensure that GBRMPA is truly independent of the Environment Minister and not vulnerable to political pressure. Anyone with coal and gas interests should be precluded from serving on the board of GBRMPA.

Recommendation 6: That Australia adopts ambitious targets to reduce greenhouse gas pollution and takes a leadership role in global action to address climate change. This must include an acknowledgement that 80% of known fossil fuel reserves must stay in the ground.

Recommendation 7: The Australian Government should immediately reverse cuts to the funding for the Reef Water Quality Protection Plan.

Act 1975 and subordinate legislation and the Great Barrier Reef Zoning Plan 2003. GBRMPA also has a transparent policy framework as established by the Board of the Great Barrier Reef Marine Park Authority in line with the statutory requirements.

Noted.

The Board is appointed by the Governor-General with the recommendation of the Government of the day.

Noted.

The Australian Government is firmly committed to reducing Australia's emissions to meet its target of five per cent below 2000 levels by 2020. Positive and direct action by the Government, business and community will allow us to meet this challenge. For environmental policy to be successful over the longer term, the two goals of reducing emissions and ensuring economic growth must be pursued together.

The Government's approach is built on science and the need to develop global efforts to reduce emissions. The Government announced on 11 August 2015 that Australia will reduce emissions to 26-28 per cent below 2005 levels by 2030. Australia's target is comparable to other developed nations and is a significant progression on Australia's 2020 target.

At the international level, Australia worked constructively with other nations to secure an ambitious, effective and enduring outcome from the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change, in Paris in December 2015. Australia has committed $1 billion over five years to international climate change action, including action to enhance adaptation in the Pacific region. Australia will continue to promote a balance between funding for mitigation and adaptation activities in the global climate change response.

Noted.

Funding for implementation of the Reef Water Quality Protection Plan has not been cut. Through the Reef Programme the Australian Government has committed over $161 million for actions to protect the Reef by improving the quality of water flowing into the Great Barrier Reef lagoon and thereby
enhancing the Reef's resilience to other stresses.

In March 2015, the Australian Government committed an additional $100 million to the Reef Trust, bringing total Reef Trust funding to $140 million.

Recommendation 8: That the events surrounding environmental harm caused by the Gladstone Western Basin dredging project be comprehensively independently investigated.

Noted.

The Minister for the Environment, the Hon Greg Hunt MP, commissioned an addendum to the Independent Review on 30 January 2014 to examine and report on information relevant to the design and construction of a reclamation bund wall associated with the Port of Gladstone Western Basin Dredging Project. The Independent Review of the Bund Wall at the Port of Gladstone findings were provided to the Australian Government on 8 May 2014 and publicly released on 9 May 2014. The report contained 37 findings and 19 recommendations.

The Australian Government released its response to the Independent Review of the Port of Gladstone, the supplementary report and the independent Review of the Bund Wall at the Port of Gladstone on 19 August 2015. The Australian Government has agreed or agreed in principle with all the recommendations of the review that fall within the Australian Government's jurisdiction.

Recommendation 9: That the Australian Government immediately strengthen its capacity and willingness to undertake independent monitoring of environmental approval conditions it imposes.

Noted.

The Department of the Environment has undertaken a comprehensive business improvement program to not only increase the capacity to monitor approval conditions, but also to ensure that compliance monitoring resources are allocated to those projects that pose the greatest risk to nationally protected matters.

Recommendation 10: That projects within or impacting on the Great Barrier Reef World Heritage Area which are unacceptable without offsets be rejected outright.

Noted.

The EPBC Act environmental offsets policy clearly states that offsets do not enable proposals with unacceptable residual impacts to be approved. Offsets will not be considered until all reasonable avoidance and mitigation measures are considered.

Recommendation 11: That funding for future activities under the Reef Trust not be sourced from existing Reef Rescue funds or from financial offsets from proponents.

Noted.

The initial investment of $40 million to the Reef Trust was provided by the Australian Government through the 2014-15 Budget. In March 2015, the Australian Government announced an additional injection of funding of $100 million. The Reef Trust provides an opportunity to pool investment in the Great Barrier Reef from a range
of sources. By pooling investments and disbursing these funds more strategically based on the latest scientific information, funding for the protection of the Great Barrier Reef will be delivered in a coordinated manner, maximising the outcomes for the Reef. Offset funding is not a replacement for government funding. Any offset funds provided to the Reef Trust will be pooled and strategically utilised in line with the approval conditions to maintain or improve the condition of matters of national environmental significance within the Great Barrier Reef area.

### COALITION SENATORS DISSENTING REPORT

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Recommendation 1</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.6 The Coalition Senators support the recommendation that no further approvals should be given under the Environment Protection and Biodiversity Conservation Act 1999 or the Environment Protection (Sea Dumping) Act 1981 for the disposal of capital dredge spoil in the Great Barrier Reef World Heritage Area until the Great Barrier Reef Marine Park Authority and Australian Institute of Marine Science Dredge Panel work is finalised.</td>
<td>Noted. See the Australian Government response to Recommendation 1 of the Senate Inquiry Report.</td>
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<tr>
<td></td>
<td>1.10 Coalition Senators support the committee's recommendation that the Department of the Environment ensure that conditions of approval under the Environment Protection and Biodiversity Conservation Act 1999 are stringently worded, monitored and enforced.</td>
<td>Agreed. See the Australian Government response to Recommendations 3 of the Senate Inquiry Report.</td>
</tr>
<tr>
<td></td>
<td>1.11 Coalition Senators note the recommendation that adequate resources are provided to Department of the Environment ensure adequate capacity to monitor and enforce conditions of approval under the Environment Protection and Biodiversity Conservation Act 1999 and consider the Department is adequately resourced for this purpose.</td>
<td>Agreed. See the Australian Government response to Recommendations 4 of the Senate Inquiry Report.</td>
</tr>
<tr>
<td></td>
<td>1.12 Coalition Senators support the committee's recommendation that the Reef 2050 Long-Term Sustainability Plan be drafted and finalised, subject to full community consultation, as a matter of high priority.</td>
<td>Agreed. See the Australian Government response to Recommendation 5 of the Senate Inquiry Report.</td>
</tr>
</tbody>
</table>
Recommendation 6
1.14 Coalition Senators support the committee's recommendation that the Reef 2050 Long-Term Sustainability Plan bring together all existing strategies, plans and reports in relation to the Great Barrier Reef. Agreement pending. See the Australian Government response to Recommendation 6 of the Senate Inquiry Report.

Recommendation 7
1.16 Coalition Senators note the committee's recommendation that the Australian and Queensland Governments ensure that the Reef 2050 Long-Term Sustainability Plan contains concrete targets and actions to improve the health of the Great Barrier Reef. Note pending. See the Australian Government response to Recommendation 7 of the Senate Inquiry Report.

Recommendation 8
1.21 Coalition Senators support the committee's recommendation that the Reef 2050 Long-Term Sustainability Plan adequately addresses the cumulative impacts of all activities on the Great Barrier Reef Region and its World Heritage values. Coalition Senators note the Environment Protection and Biodiversity Conservation Act 1999 and the environmental approval framework for decision-making requires proponents to avoid, mitigate or offset potential impacts to matters of national environmental significance. The principles of the Environment Protection and Biodiversity Conservation Act 1999 have been used effectively by successive Governments to deliver environmental safeguards in the context of development. Agreement pending. See the Australian Government response to Recommendation 8 of the Senate Inquiry Report.

Recommendation 9
1.23 Coalition Senators support the recommendation that adequate resources are available to Australian Institute of Marine Science to ensure it can continue to conduct the important research work needed to support management and decision-making in relation to the Great Barrier Reef. Agreement pending. See the Australian Government response to Recommendation 9 of the Senate Inquiry Report.

Recommendation 10
1.48 Coalition Senators do not support any additional or expanded audits by the Australian National Audit Office into the Great Barrier Reef Marine Park Authority. The recommendation to increase or expand an audit of the Great Barrier Reef Marine Park Authority implies that during the hearing evidence suggested the need for additional scrutiny. Coalition senators consider this assertion is unsubstantiated by the evidence. Note pending. See the Australian Government response to Recommendation 10 of the Senate Inquiry Report.

Recommendation 11
1.24 Coalition Senators support the recommendation that adequate resources are available to Great Barrier Reef Marine Park Authority in order to ensure that it can concentrate on providing independent, world-class management of the Great Barrier Reef Marine Park. Agreement pending. See the Australian Government response to Recommendation 11 of the Senate Inquiry Report.

Recommendation 12
1.25 Coalition Senators support the creation of a single, searchable database of all relevant reports and publications relating to the Great Barrier Reef. Note pending. See the Australian Government response to
Barrier Reef.

Recommendation 12

1.27 Coalition Senators note the committee's recommendation that the Australian Government take strong action, and an international leadership role, on the issue of climate change.

1.28 Coalition Senators consider that the Abbott Government is already taking strong action on the issue of climate change, with the introduction of a suite of measures including the signature $2.55 billion Emissions Reduction Fund and complimentary initiatives.

Agreed.
See the Australian Government response to Recommendation 13 of the Senate Inquiry report.

Recommendation 13

1.29 Coalition Senators support the recommendation that the Reef Water Quality Protection Plan identify explicit load reduction targets as well as management strategies to achieve these targets be examined.

Agreed.
See the Australian Government response to Recommendation 14 of the Senate Inquiry report.

Recommendation 14

1.33 Coalition Senators support the continuation of research into improved farming technology and practices to make them more cost effective and less likely to negatively impact on the water quality of the Great Barrier Reef.

Agreed.
See the Australian Government response to Recommendation 15 of the Senate Inquiry report.

Recommendation 15

1.49 Coalition Senators consider that the commissioning of another scientific review into the impact on water quality of farm-related fertiliser and pesticides is unnecessary as existing and ongoing research is currently successfully addressing the issues. Coalition senators' support, to ensure accuracy, investigating the data and assumptions for the modelling used to predict the impact of pesticide usage on the Great Barrier Reef.

Agreed.
See the Australian Government response to Recommendation 16 of the Senate Inquiry report.

Recommendation 16

1.35 Coalition Senators agree with the committee's recommendation that the Australian Government work closely with stakeholders to deliver enhanced environmental outcomes through the Reef Trust Programme and the Reef Water Quality Protection Plan. Coalition senators note the Government is currently working with all relevant stakeholders towards this outcome.

Agreed.
See the Australian Government response to Recommendation 17 of the Senate Inquiry report.

Recommendation 17

1.36 The Coalition Senators support the recommendation that there should be an adherence to the precautionary principle when assessing

Noted.
See the Australian Government response to

Recommendation 18
the potential impact of the development of Northern Australia, especially in previously undeveloped areas in catchments of the Great Barrier Reef.

1.37 Coalition Senators note that the EPBC Act 1999 requires that the precautionary principle apply. The potential impacts of any development, in any landscape, are thoroughly considered and where appropriate, conditions applied to mitigate those impacts.

Recommendation 19

1.38 Coalition Senators recommend the upgrade of sewage treatment plants in the Great Barrier Reef catchment areas to the level of best practice.

Recommendation 20

1.39 Coalition Senators note the recommendation that the Queensland Government improve the enforcement of the Transport Operations (Marine Pollution) Act 1995 and associated regulations prohibiting the discharge of sewage from vessels into the waters of the Great Barrier Reef. Coalition senators note the Queensland Government’s commitment to ensuring adequate resources are provided to this end.

Recommendation 21

1.40 Coalition Senators note the recommendation for high levels of environmental protection being applied to areas on, or adjacent to, the Great Barrier Reef, including the Fitzroy River Delta and the Bathurst Bay Region.

1.41 Coalition senators note that on 18 August 2014, the Commonwealth Environment Minister stated that the Commonwealth and Queensland Governments had agreed that the development at the Fitzroy Delta would not be proceeding.

Recommendation 22

1.42 Coalition Senators support the recommendation to examine measures to reduce coal particulate pollution in the Great Barrier Reef region.

Recommendation 23

1.44 Coalition Senators support the examination of the International Maritime Organisation’s Guidelines for the Reduction of Underwater Noise from Commercial Shipping to Address Adverse Impacts on Marine Life with a view to possible adoption.

Recommendation 24

1.45 Coalition Senators support ongoing consultation in relation to the draft North-East Shipping Management Plan.
Recommendations 25
1.52 Coalition Senators reject the committee's recommendation not to accredit Queensland development approval processes under the *Environment Protection and Biodiversity Conservation Act 1999*.

Agreed. See the Australian Government response to Recommendations 25 of the Senate Inquiry report.

Recommendation 26
1.53 Coalition Senators reject the committee's recommendation that the *Environment Protection and Biodiversity Conservation Amendment (Bilateral Agreement Implementation) Bill 2014* not be passed.

Agreed. See the Australian Government response to Recommendations 26 of the Senate Inquiry report.

Recommendation 27
1.46 Coalition Senators note the recommendation to examine ways to improve the rigour and independence of the environmental assessment process under the *Environment Protection and Biodiversity Conservation Act 1999*.

Noted. See the Australian Government response to Recommendation 27 of the Senate Inquiry report.

Recommendation 28
1.60 Coalition Senators reject the committee's recommendation that the Department of the Environment develop a separate offsets policy in relation to the marine environment. Coalition senators consider existing Government policy provides for adequate coverage.

Noted. See the Australian Government response to Recommendation 28 of the Senate Inquiry report.

Recommendation 29
1.61 Coalition Senators reject the recommendation that the *Environment Protection and Biodiversity Conservation Act 1999 Environmental Offsets Policy* be revised to provide greater guidance on developments in which offsets are unacceptable, such as a list of 'red flag' areas, including within the Great Barrier Reef World Heritage Area.

Agreed. See the Australian Government response to Recommendation 29 of the Senate Inquiry report.

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**Australian Government response to the Senate Foreign Affairs, Defence and Trade References Committee report:**

**Inquiry into firefighting foam contamination Part A - RAAF Base Williamtown**

**April 2016**

**Introduction**

On 4 February 2016, the Senate Foreign Affairs, Defence and Trade References Committee tabled its report "Inquiry into firefighting foam contamination Part A - RAAF Base Williamtown". The report lists eight recommendations:

- **Recommendation 1**
  
  The committee recommends that Defence immediately review its provision of water and replacement of water infrastructure to affected residents to ensure it is sufficient to meet their needs.

- **Recommendation 2**
  
  The committee recommends that the Commonwealth Government, with the advice of the NSW Department of Primary Industries, develop an initial compensation package for the commercial fishermen affected by the closures of Fullerton Cove and Tilligerry Creek.
• Recommendation 3
The committee recommend that Defence examine providing additional mental health and counselling support services to those affected by contamination at RAAF Base Williamtown.

• Recommendation 4
The committee recommends that Defence and the NSW Government examine establishing a joint taskforce to coordinate the response of government agencies to the contamination from RAAF Base Williamtown.

• Recommendation 5
The committee recommends the Commonwealth Government commit to voluntarily acquire property and land which is no longer fit for purpose due to PFOS/PFOA contamination from RAAF Base Williamtown.

• Recommendation 6
The committee recommends that if PFOS/PFOA contamination from RAAF Base Williamtown causes permanent or long-term fishing closures, the Commonwealth Government should:
   o Commit to compensate and purchase the relevant rights of fisherman affected; and
   o Establish an industry transition program for affected commercial fishermen to assist them to relocate or transfer to other industries.

• Recommendation 7
The committee recommends that Defence arrange and fund a program of blood tests for residents in the investigation area on an annual basis.

• Recommendation 8
The committee recommends that Defence release a policy statement to clarify its environmental obligations and responsibilities for contamination which spreads to non-Commonwealth land. In particular, it should clarify the capacity of State and Territory environment regulation to apply to its activities.

The Australian Government recognises the uncertainty that has been generated for members of the Williamtown community as a result of perfluorinated compounds (PFCs) being detected in the Williamtown area and the management responses that have been adopted, including precautionary closures of NSW fisheries. The Australian Government is working with the NSW Government to ensure that the uncertainty, and the impacts that this uncertainty is having on individuals and businesses in the area, are addressed at the earliest opportunity.

Correction of Error of Fact
The Australian Government recognises the concerns that some members of the community have regarding the possible association between particular health conditions and prolonged exposure to high levels of perfluorooctane sulfonate (PFOS) and perfluorooctanoic acid (PFOA).

Paragraph 3.11 within the Senate Foreign Affairs, Defence and Trade References Committee report, Inquiry into firefighting foam contamination Part A - RAAF Base Williamtown, states:

"At the October 2015 meeting of the [United Nations Persistent Organic Pollutants Review Committee] UNPOPs Review Committee, committee members concluded that PFOA met all criteria for further evaluation as a [persistent organic pollutant] POP; a decision that starts its journey to global elimination. In a consensus decision, the experts agreed that PFOA causes—"kidney and testicular cancer, disruption of thyroid function and endocrine disruption in women". In addition, they concluded PFOA was highly persistent, and does not undergo any degradation under environmental conditions."
The decision of the UN POPs Review Committee was not that PFOA "causes" the quoted medical conditions. Rather, the decision stated that there "is epidemiological evidence for" these conditions. There was a statistical relationship or association in some studies, which is not a finding of causation.

There have been some studies that have found, within the sample of people tested, those with certain medical conditions also had higher levels of PFOA in their bloodstream. The wording of the decision recognises that, rather than necessarily demonstrating that PFOA causes these conditions, other factors may influence an association between levels of PFOA and the likelihood of contracting certain medical conditions. Further, people with certain medical conditions may have an impaired ability to excrete PFOA and reduce levels in their bloodstream. The statistical strength of the association also needs to be further considered.

The Committee determined that PFOA meets relevant criteria to list it for Annex D, the screening stage of the Stockholm Convention. A draft risk profile has yet to be finalised to facilitate further consideration of PFOA at a future meeting of the UNPOPs Review Committee.

Noting this error of fact regarding the possible health effects of PFOA, the Australian Government has given careful consideration to the recommendations of the Senate Committee Inquiry Part A report.

**Recommendation 1**

The committee recommends that Defence immediately review its provision of water and replacement of water infrastructure to affected residents to ensure it is sufficient to meet their needs.

**Government Response Agreed.**

The Australian Government recognises the concerns that some members of the community have regarding the possible association between particular health conditions and prolonged exposure to high levels of perfluorooctane sulfonate (PFOS) and perfluorooctanoic acid (PFOA).

The Australian Government notes that the Environmental Health Standing Committee (enHealth), a subcommittee reporting to the Australian Health Protection Principal Committee, is developing interim guideline values to provide consistent information in order to assess any public health risks arising from the detection of PFOS and PFOA in groundwater and food intended for human consumption. In the interim, Defence is taking a precautionary approach for the supply of drinking water in its environmental investigation areas.

Defence has reviewed its provision of water to ensure that sufficient volumes of drinking water are being provided to residents who are reliant on sourcing drinking water from bores and affected tanks in the investigation zone around RAAF Base Williamtown. Defence is committed to ensuring that these residents have continual access to an ample supply of drinking water. Defence will continue to determine the most appropriate methods of delivering drinking water.

**Recommendation 2**

The committee recommends that the Commonwealth Government, with the advice of the NSW Department of Primary Industries, develop an initial compensation package for the commercial fishermen affected by the closures of Fullerton Cove and Tilligerry Creek.

**Interim Government Response**

The Australian Government has implemented a financial assistance package to address immediate hardship for fishers and businesses affected by the decision by the New South Wales Government to institute fisheries closures. This financial assistance package will continue to be available until 30 June 2016, when the NSW Environment Protection Authority (EPA) is due to consider its position on the fishing closures it has instituted for Fullerton Cove and Tilligerry Creek.

Defence is carrying out a Stage 2B Environmental Investigation at Williamtown, which includes the development of a Human Health Risk Assessment. If this Human Health Risk Assessment determines there is not a significant risk to human health, the Australian Government looks forward to the NSW
EPA reversing its decision to close fisheries at the earliest opportunity. In the interim, the Australian Government will continue to assist in addressing the financial hardship experienced by individuals and businesses as a result of the NSW Government’s decision. The Australian Government notes that the NSW Government is due to make a decision regarding its fisheries closures by 30 June 2016. On 1 July 2016, the Australian Government will provide the ability for fishing businesses affected by the current closures of Fullerton Cove and Tilligerry Creek fisheries to claim a further Business Hardship Payment of up to $20,000. In addition, in the event that the NSW Government does not reopen these fisheries by 30 June 2016, the Australian Government will provide the opportunity for affected businesses to claim a Business Transition Payment of up to $25,000 to assist businesses to pursue alternative sources of income if they wish to do so. This may provide support to commence fishing in another fishery, for example.

The Australian Government will continue to provide an Income Recovery Subsidy to individuals who have experienced a loss of income as a result of the Fullerton Cove and Tilligerry Creek fisheries closures. These payments will continue for a period of eight weeks after 30 June 2016, when the NSW Government is due to make its decision.

Individual claims for compensation received by the Australian Government are handled on a case by case basis.

**Recommendation 3**

The committee recommends that Defence examine providing additional mental health and counselling support services to those affected by contamination at RAAF Base Williamtown.

**Government Response Agreed.**

The Australian Government understands the mental health pressures that some members of the community around Williamtown are experiencing in association with the circumstances of this matter. This concern has arisen from a range of circumstances, including the precautionary bans on fishing.

A range of mental health and counselling support services are already being delivered by the Australian Government and NSW Department of Health for the Williamtown community, and the NSW Department of Primary Industries for fishers. Defence is engaging with the NSW Government to identify areas where the Australian Government may be able to assist in improving community awareness of the full range of available mental health and counselling support services, and how to access them.

**Recommendation 4**

The committee recommends that Defence and the NSW Government examine establishing a joint taskforce to coordinate the response of government agencies to the contamination from RAAF Base Williamtown.

**Government Response Agreed.**

Defence is engaging with the NSW Government to determine the best way to coordinate government actions to address PFOS and PFOA detected in the vicinity of RAAF Base Williamtown. The Australian Government also notes that the New South Wales Government has recently commenced a programme of testing that will assess potential sources of PFOS and PFOA from some industrial sites and state fire-fighting facilities across New South Wales, including in the Newcastle area. The early results of this NSW Government testing have demonstrated the potential for PFOS and PFOA to enter the environment from activities that are not related to Defence. As NSW Government information regarding other possible sources of PFOS and PFOA improves, it may in turn influence the optimal model for coordinating the response of government agencies.

In addition to Williamtown, the Australian Government recognises that the community of Oakey, Queensland is also seeking a coordinated response to this issue. The Queensland Government has emphasised the importance of national consistency. Therefore, the Australian Government is also
canvassing a national taskforce to coordinate the national response of government agencies to the
management of PFOS and PFOA, to improve coordination between governments to address community
concerns.

Recommendation 5
The committee recommends the Commonwealth Government commit to voluntarily acquire property
and land which is no longer fit for purpose due to PFOS/PFOA contamination from RAAF Base
Williamtown.

Interim Government Response
The Department of Defence, in consultation with the NSW Government, is actively progressing detailed
environmental investigations for RAAF Base Williamtown and these investigations are now well-
advanced. The detailed environmental investigations are being completed by expert contamination
scientists and scrutinised by a NSW Government-accredited independent contaminated site auditor. To
date, PFOS and PFOA have not been detected in 80 to 90 per cent of the samples that have been taken
across the investigation area that was originally declared by the NSW Environmental Protection
Agency. The detailed environmental investigations by expert contamination scientists will include
preparation of a Human Health Risk Assessment, which is expected to be made available to the
Williamtown Expert Panel for consideration in July 2016. Upon completion of these detailed
environmental investigations, the actual extent of PFOS and PFOA will be better understood.

Defence is progressing its environmental investigations as quickly as is feasible while ensuring that the
findings are scientifically robust. Defence is ensuring that investigations align with the National
Environment Protection (Assessment of Site Contamination) Measure framework. The expert
environmental site investigation contractors only use laboratories accredited by the National
Association of Testing Authorities (NATA) for analysis of sampling results. There are only two
laboratories NATA-accredited for PFOS and PFOA testing in Australia, which constrains the rate at
which samples can be analysed and results provided.

In addition to the environmental investigation at Williamtown, the Environmental Health Standing
Committee (enHealth), a subcommittee reporting to the Australian Health Protection Principal
Committee, is developing interim guideline values to provide consistent information in order to assess
any public health risks arising from the detection of PFOS and PFOA.

The Australian Government will further consider the matter of property acquisition once interim health
reference values have been established and a detailed environmental investigation at RAAF Base
Williamtown has been concluded. Until these activities are finalised, the Australian Government is not
in a position to determine the actual level of risk for existing property use. The Australian Government
is committed to the considered investigation of this important issue and will review its response to this
recommendation once this information has been established.

Recommendation 6
The committee recommends that if PFOS/PFOA contamination from RAAF Base Williamtown causes
permanent or long-term fishing closures, the Commonwealth Government should:

- Commit to compensate and purchase the relevant rights of fishermen affected; and
- Establish an industry transition program for affected commercial fishermen to assist them relocate or
  transfer to other industries.

Interim Government Response
The NSW EPA has advised it is premature to speculate whether fishing closures may remain in effect
beyond 30 June 2016, when the NSW Government will provide further advice on this matter. The
Australian Government will work with the NSW Government on options with respect to the ability of
the fisheries to operate.
Defence's environmental investigations are now well-advanced. Defence continues to make all verified results available to the NSW Government and has recently received some of the initial fish testing results from NSW Department of Primary Industries that are required inform an interim Human Health Risk Assessment. The NSW EPA will determine the level of information it requires to make a decision as to whether fisheries will be reopened.

As noted under Recommendation 2 above, on 1 July 2016 the Australian Government will provide the ability for fishing businesses affected by the current closures of the Fullerton Cove and Tilligerry Creek to claim a further Business Hardship Payment of up to $20,000. In addition, in the event that the NSW Government does not reopen these fisheries by 30 June 2016, the Australian Government will provide the opportunity for businesses to claim a Business Transition Payment of up to $25,000 to assist businesses to pursue alternative sources of income if they wish to do so. This may provide support to commence fishing in another fishery, for example.

The Australian Government will continue to provide an Income Recovery Subsidy to individuals who have experienced a loss of income as a result of the Fullerton Cove and Tilligerry Creek fisheries closures. These payments will continue for a period of eight weeks after 30 June 2016, when the NSW Government is due to make its decision.

Recommendation 7
The committee recommends that Defence arrange and fund a program of blood tests for residents in the investigation area on an annual basis.

Not agreed
The Environmental Health Standing Committee (enHealth) comprises health advisers from Commonwealth, state and territory jurisdictions across Australia and is responsible for the provision of national health guidance to inform state and territory health policies. Defence is guided by enHealth and the relevant state/territory health authority on health matters in the community.

On 16 March 2016, enHealth released a statement that advises against blood testing of individuals for PFOS and PFOA:


The enHealth statement notes the uncertainty that PFCs are directly linked to adverse health outcomes and recommends that blood testing has no current value in informing clinical management. While blood tests can measure PFOS/PFOA, blood tests do not predict any level of health risk. Most Australians will have had some level of exposure to perfluorinated compounds from a range of sources.

The NSW Department of Health has issued a formal health statement that is consistent with the national enHealth guidance in advising against blood testing of individuals.

Defence will follow the enHealth advice and NSW Health advice that blood testing of individuals is not recommended.

The enHealth statement does note that the monitoring of pooled community blood samples over time may help determine the success of exposure reduction measures. It is a NSW Health decision to determine whether it may wish to pursue pooled testing for communities in NSW.

Recommendation 8
The committee recommends that Defence release a policy statement to clarify its environmental obligations and responsibilities for contamination which spreads to non-Commonwealth land. In particular, it should clarify the capacity of State and Territory environment regulation to apply to its activities.

Government Response Agreed in part.
Defence has provided further information regarding its environmental obligations and responsibilities within its submission to Part B of the Senate Inquiry into Contamination of Australian Defence Force
Facilities and other Commonwealth, state and territory sites in Australia. The Defence Environmental Policy and the supporting environmental management framework is available to the public online at: http://www.defence.gov.au/estatemanagement/governance/Policy/Environment/Contamination/Default.asp.

Defence is completing a review of its environmental policy and supporting documents. As part of this review process, Defence is ensuring the policy and supporting documentation communicate Defence's responsibilities for the investigation and management of contamination. Updated versions of the environmental policy and other environmental management framework documentation will continue to be made available to the public via the Defence internet site.

Defence is bound by the Environment Protection and Biodiversity Conservation Act 1999 wherever it operates. The question of the extent to and manner in which the Commonwealth is bound by state or territory environmental legislation is complex. However, it is Defence policy to meet the spirit and intent of state or territory legislation where there is no conflict with obligations under Commonwealth legislation.

Defence is carrying out a Stage 2B Environmental Investigation at Williamtown, which includes the development of a Human Health Risk Assessment and Ecological Risk Assessment. In accordance with the National Environmental Protection (Assessment of Site Contamination) Measure 1999, including 2013 amendments, Defence is collecting over 900 samples of groundwater, surface water, soil, sediment and biota in and around RAAF Base Williamtown as part of the environmental investigation program.

The Department of the Environment will develop and implement nationally consistent guidance and standards for PFOS and PFOA with state and territory governments as soon as possible.