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**SITTING DAYS—2015**

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<td>December</td>
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FORTY-FOURTH PARLIAMENT
FIRST SESSION—SEVENTH 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—Senator Scott Ludlam and Senator 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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<tr>
<td>Back, Christopher John</td>
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<td>Bernardi, Cory</td>
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<tr>
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<tr>
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Pursuant to section 42 of the Commonwealth Electoral Act 1918, the terms of service of the following senators representing the Australian Capital Territory and the Northern Territory expire at the close of the day immediately before the polling day for the next general election of members of the House of Representatives.

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<th>Party</th>
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(1) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice R. Carr), pursuant to section 15 of the Constitution.
(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.
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
Acting Secretary, Department of Parliamentary Services—D Heriot
Parliamentary Budget Officer—P Bowen
## Turnbull Ministry

<table>
<thead>
<tr>
<th>Title</th>
<th>Minister</th>
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<tr>
<td><strong>Prime Minister</strong></td>
<td>Hon Malcolm Turnbull MP</td>
</tr>
<tr>
<td><strong>Minister for Indigenous Affairs</strong></td>
<td>Senator Hon Nigel Scullion</td>
</tr>
<tr>
<td><strong>Minister for Women</strong></td>
<td>Senator Hon Michaelia Cash AO</td>
</tr>
<tr>
<td><strong>Cabinet Secretary</strong></td>
<td>Senator Hon Michaelia Cash</td>
</tr>
<tr>
<td><em>Minister Assisting the Prime Minister for the Public Service</em></td>
<td></td>
</tr>
<tr>
<td><em>Minister Assisting the Prime Minister for Digital Government</em></td>
<td>Senator Hon Mitch Fifield</td>
</tr>
<tr>
<td><em>Minister Assisting the Prime Minister for Counter Terrorism</em></td>
<td>Hon Michael Keenan MP</td>
</tr>
<tr>
<td><strong>Assistant Minister to the Prime Minister</strong></td>
<td>Hon Alan Tudge MP</td>
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<tr>
<td><strong>Assistant Minister to the Prime Minister</strong></td>
<td>Senator Hon James McGrath</td>
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<tr>
<td><strong>Assistant Minister for Productivity</strong></td>
<td>Hon Dr Peter Hendy MP</td>
</tr>
<tr>
<td><strong>Assistant Cabinet Secretary</strong></td>
<td>Senator Hon Scott Ryan</td>
</tr>
<tr>
<td><strong>Minister for Infrastructure and Regional Development</strong></td>
<td>Hon Warren Truss MP</td>
</tr>
<tr>
<td>(Deputy Prime Minister)</td>
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<tr>
<td><strong>Minister for Resources, Energy and Northern Australia</strong></td>
<td>Hon Josh Frydenberg MP</td>
</tr>
<tr>
<td><strong>Minister for Territories, Local Government and Major Projects</strong></td>
<td>Hon Paul Fletcher MP</td>
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<tr>
<td><strong>Assistant Minister to the Deputy Prime Minister</strong></td>
<td>Hon Michael McCormack MP</td>
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<tr>
<td><strong>Minister for Foreign Affairs</strong></td>
<td>Julius Bishop MP</td>
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<tr>
<td><strong>Minister for Trade and Investment</strong></td>
<td>Hon Andrew Robb AO MP</td>
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<tr>
<td><strong>Minister for International Development and the Pacific</strong></td>
<td>Hon Steven Ciobo MP</td>
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<tr>
<td><strong>Minister for Tourism and International Education</strong></td>
<td>Senator Hon Richard Colbeck</td>
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<tr>
<td><strong>Minister Assisting the Minister for Trade and Investment</strong></td>
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<tr>
<td><strong>Attorney-General</strong></td>
<td>Senator Hon George Brandis QC</td>
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<tr>
<td>(Vice-President of the Executive Council)</td>
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<tr>
<td>(Leader of the Government in the Senate)</td>
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<tr>
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<td>Senator Hon Concetta Fierravanti-Wells</td>
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<td><strong>Treasurer</strong></td>
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<td><strong>Minister for Small Business</strong></td>
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<td>(Deputy Leader of Government in the Senate)</td>
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<tr>
<td>Special Minister of State</td>
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<td>Senator Hon Anne Ruston</td>
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<td>Hon Karen Andrews MP</td>
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<tr>
<td><strong>Minister for the Environment</strong></td>
<td>Hon Greg Hunt MP</td>
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<td><strong>Minister for Cities and the Built Environment</strong></td>
<td>Hon Jamie Briggs MP</td>
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<td><strong>Minister for Health</strong></td>
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<td>Senator Hon Marise Payne</td>
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<td>Hon Stuart Robert MP</td>
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Wednesday, 25 November 2015

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

BUSINESS

Rearrangement

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications, Minister for the Arts and Minister Assisting the Prime Minister for Digital Government) (09:31): by leave—I want to indicate to the chamber that the government has just received a request for the Migration Amendment (Charging for a Migration Outcome) Bill 2015, which is before us, to be postponed to a later hour to enable further discussions to occur. I indicate to colleagues that this has a request that has just come in, so there has not been an opportunity to advise colleagues previously of this. That being the case, I move:

That government business order of the day No. 1 (Migration Amendment (Charging for a Migration Outcome) Bill 2015) be postponed to a later hour.

Senator KIM CARR (Victoria) (09:32): Given what happened yesterday in regard to proceedings concerning the amendments to the Migration Amendment (Charging for a Migration Outcome) Bill, I should try to explain briefly that my understanding is that the government and the opposition may have the opportunity to reach agreement around the last amendment, which concerns coercion and criminal offences, which I moved yesterday and is still live. There needs to be a further opportunity to discuss the matter. As a consequence, I support the postponement of this item of business to a later hour this day.

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

Question agreed to.

BILLS

Tax and Superannuation Laws Amendment (2015 Measures No. 5) Bill 2015

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

(Quorum formed)

Senator DASTYARI (New South Wales) (09:34): What we are looking at in the Tax and Superannuation Laws Amendment (2015 Measures No. 5) Bill 2015 is a series of minor taxation amendments that are really designed to raise $1.4 billion over the forward estimates. This is an approach—and I think it shows a reasonable approach—between the government and the opposition who have been able to come together and work together on these tax measures and where there has been agreement and consensus. I think it is worth acknowledging the work of the shadow Assistant Treasurer, Andrew Leigh, in this space. I note that both the federal Treasurer and the federal Assistant Treasurer have played a very positive role in this space in allowing us to have this sensible debate.
Labor will always support sensible savings measures which improve the budget bottom line without harming vulnerable Australians. This is consistent with our sound, fiscal plan to bring the budget back into balance by delivering more savings spending over the coming decade. I do note, however, that, while there has been agreement in this space and while this is legislation that we will be supporting, it is disappointing that the government have failed to acknowledge Australia's revenue challenge. Since taking over the job, Treasurer 2.0, Scott Morrison, has continued to parrot his predecessor's line that Australia has a spending problem and not a revenue problem. Talking up spending is simply the government's way of preparing the ground for more cuts. The government believe that, if they keep talking about a spending problem, Australia might eventually get away with things like $100,000 degrees, cuts to the pension and cuts to family payments. The fact is that those on this side of the chamber believe that we have both a spending and a revenue problem, that both of these matters need to be tackled and that they need to be tackled sensibly if we are to address the revenue challenges facing this country.

Between 2014 and 2015 Australia's revenue projections were written down by $52 billion. That flows through every corner of the budget. Today, spending is at 26 per cent of GDP, but revenue has fallen to 23.5 per cent. As former Treasury secretary, Ken Henry, said: ... a bit more than half of it is explained by a deterioration in revenue performance; by the tax system not delivering in the way that the tax system has delivered in the past.

The International Monetary Fund agrees. In its most recent report on the Australian economy it noted, 'While expenditure reduction can and should play a role in reducing the fiscal deficit, there may be a limited scope for this avenue since expenditure is already relatively low compared to other advanced economies.'

This bill has four schedules. Schedule 1 simplifies the methods of calculating work related car expense deductions to ensure the tax act becomes more closely aligned with actual expenses incurred. Schedule 2 improves the integrity of the zone tax offsets by restricting access to individuals genuinely living in the designated regional and remote zones. Schedule 3 introduces a $5,000 cap on fringe benefits tax concessions on entertainment expenses for not-for-profit workers. Schedule 4 implements a technical integrity measure first proposed by the previous Labor government. Schedules 1 to 3 are essential savings measures and Labor has previously indicated its support for schedule 2. Schedule 3 is consistent with the recommendations from the Productivity Commission's Henry tax review and the final report of the Not-For-Profit Sector Tax Concession Working Group. Among those affected are employees of public benevolent institutions, hospitals and ambulance services. The proposed value of the cap is opposed by, among others, the Australian Medical Association, the Australian Salaried Medical Officer Federation, the Victorian ambulance union and the Community Council for Australia. ABS data shows that the average spending on meals out and fast food is less than $5,000 for all but the top fifth of taxpayers.

This is a sensible bill that includes sensible savings measures. It is a bill that is worthy of passing through this chamber and is worthy of the support this chamber, but it does highlight a fundamental flaw in the thinking and the arguments that are put forward by this government. I commend the bill to the Senate.

Senator LEYONHJELM (New South Wales) (09:39): Seasons greetings to you, Mr Deputy President, and to all here in the Senate. With the parliamentary year wrapping up
somewhat early, on 3 December, and with Christmas fast approaching, it is time to pause and look back on 2015.

What a year it has been. The government has been hitting home runs on tax reform all year. There have been five—count them: five—tax and superannuation laws amendment bills. I have loved every one of them—well, a kind of love. So in the spirit of Christmas, let me recite a little ditty about the five tax bills of Christmas. Given my warm feeling for all of the senators in this chamber, I was tempted not to sing it. It is true that I am not an undiscovered Pavarotti. But given its nature, I really have no choice. So here it is:

In the first bill of Christmas my Treasurer sent to me
A tax on the elderly
In the second bill of Christmas my Treasurer sent to me
Slower deductions and a tax on the elderly
In the third bill of Christmas my Treasurer sent to me
Seafarer's tax, slower deductions and a tax on the elderly
In the fourth bill of Christmas my Treasurer sent to me
More CGT, seafarers' tax, slower deductions and a tax on the elderly
In the fifth bill of Christmas my Treasurer sent to me
More FBT, more CGT, seafarers' tax, slower deductions and a tax on the elderly
Merry Christmas, everyone.

The DEPUTY PRESIDENT: Thank you, Senator Leyonhjelm. You are not the first person to sing in the chamber, but I think that was very eloquent. I do remember the Rock Lobster dance, though. I do not think you have surpassed that.

Senator Fifield: It was The Time Warp!
The DEPUTY PRESIDENT: The Time Warp, not Rock Lobster, yes!
Senator Fifield: Perhaps we should have called a point of order—
The DEPUTY PRESIDENT: We have started Christmas early! I think I should call the minister now, to put some stability back into the chamber.

Senator Fifield: I think Senator Leyonhjelm has guaranteed himself a run in the electronic media. I really was going to just make that as a point of order, but I am not actually closing the debate.

The DEPUTY PRESIDENT: Thank you.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (09:42): I thank those senators who have contributed to this debate. This bill makes an important contribution to the government's commitment to simplify and modernise the Australian tax system, while improving fairness and integrity.

The first three schedules of the bill are 2015-16 budget measures, so this continues the important task of the government to get the budget back into balance as soon as possible. It amends the work-related car expense rules by modernising the rules and revising the set-rate-per-kilometre method. It removes access to the zone tax offset for fly-in, fly-out and drive-in, drive-out workers whose usual residence is not within a specified zone. It introduces a separate $5,000 cap for salary sacrifice entertainment benefits for certain employees of not-
for-profit organisations. These benefits will also become reportable. The bill also creates a new data matching and compliance program requiring third parties to report to the ATO on a range of transactions.

This bill demonstrates the government's commitment to a fairer and simpler tax system that reflects a modern Australia. I commend this bill to the Senate.

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

Question agreed to.

Bill read a second time.

Third Reading

The DEPUTY PRESIDENT (09:43): I am not aware of any amendments that have been circulated for this bill. So unless any senator wishes a committee stage, I will call on the minister to move the third reading.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (09:43): I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Superannuation Legislation Amendment (Trustee Governance) Bill 2015

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator DASTYARI (New South Wales) (09:44): Finally it is here. There has been a lot of talk, a lot of waiting and a lot of anticipation about when we were finally going to see the Superannuation Legislation Amendment (Trustee Governance) Bill 2015 and have the opportunity to debate it. I thank the government for bringing this forward on the agenda today so that we will have the opportunity to put forward our views on it.

Let me say from the outset that this is a bad bill that is attempting to fix a problem that does not exist. This is a bad bill that does not warrant the support of this chamber, that does not achieve what it purports to achieve, and it fundamentally risks damaging one of the most successful types of governance models. Let us be clear what this is about. This is an ideological agenda against industry super, an agenda this government has always had. This is laying the groundwork for what the government has always wanted to do—that is, take away default super. This is about damaging and destroying one of the most successful models we have. Also, at the end of the day, when it comes down to it the trustee model of governance works. It works because the proof is in the pudding. The proof is in the actual returns that are given to consumers. It is a model that works and it does not need to be tampered with. This legislation does not do the right thing.

I am concerned that this bill will impose a significant ideological shift from a model of trustee governance to a model of shareholder governance, and there is no clear or compelling evidence that the changes are warranted. There is widespread concern that the definition of independence contained within this bill is ambiguous. The most concerning aspect of this bill
is that it blindly conflates and confuses trustee governance with shareholder governance, rather than contrasting the two. Under the trustee government model the board of directors have a fiduciary duty to their trustee members, the customers who are buying into the fund. Under a shareholder governance model, the board of directors have a fiduciary duty to their shareholder owners only. This bill will impose a model of shareholder governance on boards currently operating under a trustee governance model.

Hearings have revealed supporters of this bill demonstrating a troubling pattern of cherry-picking favourable data, attempting to present unrelated data, and failing to present quantitative evidence to support many of their assertions. An alarming majority of submissions expressed concerns at the ambiguous and prescriptive definition of independence contained in the bill, including some submissions expressing in-principle support.

This bill fundamentally attacks at the heart of what is the trustee model of governance, a model of governance that is based around and built around putting the interests of the fund members first. It does so without any compelling case or any compelling need. That is why this is a bill that should not be supported. I note that this bill was dumped into the House of Representatives by outgoing Assistant Treasurer Josh Frydenberg two days after the leadership spill that ended Tony Abbott's prime ministership. The bill demonstrates an ideological commitment to replace a model of trustee governance with one of shareholder governance. In Minister Frydenberg's second reading speech to the House he makes several factual errors, including some that are contradicted in the explanatory memorandum. The most egregious claim is his assertion that the bill will bring Australian superannuation funds in line with international best practice. He said:

This bill amends the Superannuation Industry (Supervision) Act 1993 to introduce a higher standard of governance for superannuation funds, in line with domestic and international best practice.

But he is contradicted by his own explanatory memorandum. Paragraphs 2.48 to 2.50 of the explanatory memorandum clarify that pension funds in New Zealand, Canada, the US and the UK operate quite differently, usually under an equal representation model. In his speech, Minister Frydenberg explicitly restates his commitment to a model of shareholder governance:

The changes fulfil the government's election commitment to align governance in superannuation more closely with the corporate governance principles applicable to ASX listed companies.

But the changes proposed in the bill go far beyond a simple alignment with the ASX principles, which offer a voluntary framework for boards to consider. This bill will impose highly prescriptive changes, coupled only with an ambiguous definition of 'independence'. This was confirmed during the hearings of the Senate Economics Legislation committee in testimony provided by Vicki Wilkinson of Treasury, who clarified that 'it is broader than the ASX definition'.

Mr Frydenberg goes on to wrongly claim that the bill is consistent with the Cooper review recommendations, stating:

The changes this bill makes are consistent with the Cooper review recommendations and observations.

But the changes proposed in this bill are not consistent with the Cooper review recommendations, which propose, in dense detail, that non-equal representative trusts—that
is, retail and bank-owned funds—should have a majority of non-associated trustee directors and that, for funds with an equal representative trustee structure:

... no less than one-third of the total number of member representative trustee-directors must be non-associated and no less than one-third of employer representative trustee-directors must be non-associated.

Despite the unfortunate circumstances surrounding the introduction of this bill and the wrong claims by the then minister, Mr Frydenberg—and I want to acknowledge some of the work done through the committee process in this space—the Senate Economics Legislation Committee held a series of hearings, with fairly short notice. Noting the strict time period that was given, I want to note the government senators who provided us with the opportunity to have two full days of hearings to allow us to explore a lot of the concerns that we had. I think it is fair to say that the processes that were undertaken and the debate we were able to have via the committee allowed us to better inform our positions on this matter. I think realistically that perhaps all of us went to this debate with some fairly strong views already, and I note that, while those views themselves have perhaps not changed, the process that was used to allow a further debate and a further discussion was constructive.

I also want to note and acknowledge that the government had flagged that this legislation was coming for a while. There has been a public debate out there. There has been an opportunity for different views and different discussions to take place. That is a demonstration of this chamber working well. That is a demonstration of this Senate at its best. That being said, I do no believe that this is a good bill. I do not believe that this is a bill that should be supported. And fundamentally I believe that this is a bill that really conflates two different models of government.

As I have noted, both Minister Frydenberg's second reading speech and the Treasury's explanatory memorandum conflate and confuse shareholder governance with trustee governance rather than contrasting the two. But there has to be a recognition that a one-size-fits-all model, the model that is used by the larger banking organisations, is not necessarily the right model for everybody. And the success of industry super funds that have consistently performed well has been built in part—not entirely; there are other factors at play—by a successful governance model. This bill goes to the heart of destroying that governance model. And, again, what amazes me is that this is a solution in search of a problem. If there was a problem, if the boards that had a trustee governance model were performing badly, if the boards on the super funds that had these models were giving lower returns, then there could be an argument for reform. We are reforming the one part of the super industry that is performing the best, and I think the danger here is that by tempering with a successful model—for what I believe are solely ideological purposes—we actually risk destroying it.

I also want to note this whole issue of what the word 'independent' means, and the definition of independence, because there has been a major concern about what the definition of the word 'independence' is going to be as part of this. Again, 'independence' is one of these motherhood words; it sounds fantastic. We talk about how there should be more independence, and at a principle level it is a truism in many cases: the idea of independence is something that most people are favourably predisposed towards. But we also have to ask, 'What do you mean when you say independent or independence?' A majority of submissions expressed concern at the ambiguous and prescriptive definition of 'independence' contained in
the bill, including many submissions from people who may not share my concerns about the conflating of the two different models, even those who support the government's reforms—again, not reforms that I support. But even those who did support them highlighted their concerns regarding independence.

So, the definition of independence has been raised, and I just want to give you a couple of examples of different groups and different organisations that raised their concerns in their submissions to the inquiry. The Governance Institute of Australia says that you can set out the principle of independence but not prescribe a definition. Mercer consulting said that it would prefer a principles based definition. The Australian Institute of Company Directors said that the definition 'could be broader'. The Australian Industry Group has said that the definition is overly restrictive. And, in its submission to the inquiry, the Association of Superannuation Funds of Australia, ASFA, offered a considered critique of the definition of independence, which for them is a critical component of the bill, saying:

ASFA recommends that the definition of ‘independent’ in the legislation be amended to enable organisations to retain the ability to have common independent directors on the boards of RSEs under the same financial conglomerate group, rather than having to rely on APRA to make a determination on a case-by-case basis.

We believe that, on balance, this is an appropriate exclusion given that there are no limitations proposed in the revised draft legislation on an individual holding office as director on multiple unrelated RSE licensees.

In our view, allowing directors to sit on multiple unrelated RSE licensees where the RSEs are in competition with each other but not sit on multiple related RSE licensees within the same financial conglomerate group as an independent director would be a poor policy outcome.

ASFA continues to critique the government's definition of independence, noting that it should exclude otherwise entirely well-qualified directors from consideration:

ASFA recommends that the definition of 'independent' in the legislation be amended so that recent executive officers and directors of firms that are suppliers to the RSE licensee, but who themselves have had no previous dealings with the RSE licensee, should be allowed to be appointed as an independent director.

Again, what we have here is an overly prescriptive, unclear definition of what the word 'independent' is going to mean.

This is a bad bill. This is a bill that goes to the heart of one of the most successful governance models that we have for Australians. This is a bill that is driven more by ideology than by policy. It is a bill that is searching for a problem that does not exist. It is a bill that fundamentally will attack the model we have successfully used for the savings of many, many Australians. And it demonstrates that this is a government that will always place its ideology and its agenda ahead of what is in the interests of Australian consumers and in this case in the interests of the members of superannuation funds.

Senator WHISH-WILSON (Tasmania) (09:58): At the heart of the Superannuation Legislation Amendment (Trustee Governance) Bill 2015 and the debate we are having here today is an attack not only on the union movement, which is heavily involved with the successful model of the industry super funds, but also on the profit versus not-for-profit breakdown that we see in the superannuation industry in this country.
Where is the evidence that the governance model that currently exists has failed? Where is the evidence that it has failed in the industry super funds that are under pressure from APRA to appoint at least a third of their directors as independent directors? And on top of that APRA is saying that in the future there will be a show cause as to why a majority of directors are not independent directors. Where is the evidence that the governance has failed? I am sure that governance, in any organisation, can be improved. There is no doubt that, right across the board, governance is absolutely critical. Where is the evidence that it has actually failed? The Cooper review by the previous government did lead to a number of improvements around the governance of the superannuation trustee structure that we have in this country, but it stopped short of recommending what we have in this bill today.

I would like to point out that returns are ultimately what count, the returns to members. Superannuation is an essential foundation in this country for our future wealth and prosperity. It is a system that requires all Australians to save for a rainy day, to put away for their retirement. It is not perfect. I sincerely hope that the superannuation system in this country is tackled by this government, by all members and by the Senate so that we can improve it and make it fairer. Superannuation tax concessions are an example of what we need to see changed in this country. The Greens would like to see them being progressive. The super system is not perfect but it is absolutely essential.

The two things that are under attack at the moment from this Liberal government are the breakdown under part 9 of the SIS Act, where the board of corporate trustees for a standard employer-sponsored fund of five or more members must consist of an equal number of employer representatives and member representatives. That is the way it currently is. That equal representation rule is under attack because the government wants to bring it to at least a third of independent directors. Another big issue is around the default fund and how that is going to be structured.

I wonder where the motivation for this bill is coming from, and that is what I would like to deal with initially. If the returns to superannuation funds, to the industry super funds, over a 10-year period—and you can compare these returns on different time frames—have outperformed the retail funds, the for-profit or commercial funds, what is the problem? If the governance system they have in place is working, why are we looking to change it? Let's look at the motivation for that. Why do we need to bring in a third of independent directors? Under the current system an independent director can be appointed and has been appointed. I have met an independent director of an industry super fund and there are other examples that, I am sure, all senators have heard of. Why a third? Where did that number come from? And why the sudden change from APRA recently where they want to see a majority of directors as independent?

Senator Dastyari raised a very good point about the definition of independence. I think we need to separate two things here, which are independence and how it relates to a governance model of any organisation, and the necessary qualifications on a board. Under the model for publicly listed companies on the ASX, the Australian stock exchange, it is up to the boards how they structure their balance around governance and qualifications. That is not monitored and there is no prescription by APRA about how they should set up their governance model. That is up to the boards of ASX companies. So why is APRA, through the government, wanting a highly prescriptive model for industry super funds? Why is it different?
The answer is pretty obvious if you look at it at face value: industry super funds are not for profit. They are set up for the members, for the workers. Whereas, the other retail funds are for profit; they are for making margins for the banks and the big financial services companies. Somehow the concept that you are not for profit means you cannot be relied on to have a proper governance structure in place that looks after the workers and the members of those funds. I know that a majority of the industry super funds outsource a lot of their decision making around asset allocation. They make asset allocation decisions at the board level, but a lot of the expertise is outsourced to a whole bunch of IFAs. It is the same for Australia's big super fund—the Future Fund. They outsource a lot of their expertise and decision making. There is nothing wrong with that. Those people out there are experts and they pass that information up to the board and the board makes decisions. This is the current structure, and it has worked really well. Industry super funds have outperformed. You can argue that there may be some time periods when they have not, but over the long-term they have. You can break down different costs and cost structures but, generally, they have had lower costs and they have had a better performance.

So why the attack? The first thing that comes to mind is that this government is trying to put the unions in this country out of business, and they see fact that they have successful funds in place for their workers as something that the union movements take advantage of. That is the politics of this. I do not blame APRA for wanting to have the highest possible governance standards in place—that is an absolute fundamental given for any organisation. But why is it different for not-for-profit organisations, yet they are happy to leave for-profit organisations alone? This is an attempt to corporatise the trustee structure that is in place for superannuation funds. You wonder what kind of influence those independent directors are going to bring to the boards of industry super funds. Why are we not seeing these same prescriptive changes applied to other organisations?

_Senator Edwards interjecting—_

**Senator WHISH-WILSON:** I have been quite outspoken since I arrived here, Senator Edwards—through you, Chair—about the vertical integration in the financial services sector in this country, especially amongst the big banks and the big financial services companies. As you are probably aware, I used to work in broking in banking and I remember when the banks first realised how much money they could make out of their client base, their retail clients—the people who had put their money into deposits from the time they were kids until the time they needed to borrow money for a home loan or for other products like credit cards. The banks realised, 'We have got these millions of people on our client base. Why don't we sell them financial products?' The banks have made tens of billions of dollars out of bundling products to offer to their client base. A lot of those products are—guess what?—superannuation products. They have vertically integrated: they manufacture the products, they have the platforms and they have the distribution networks.

I wonder why the retail funds, which are mostly owned by big financial services companies, have underperformed the industry super funds. Could it be due to related party transactions where the beneficiaries of the performance of these funds may actually be the parent entities—the big banks and the financial services companies? How much of the margin do they take? How much of the profit do they take to return to their shareholders? Why have
they not outperformed? Is it because they are skimming the returns to pay to shareholders. Yes! That is exactly what is happening. Is this a conflict of interest?

Is it a conflict of interest that within a retail superannuation fund some of the executive or non-executive directors may be remunerated on the basis of the performance of the fund? That is not the case in industry super funds. Those on the board, under the equal-representation model, are paid to turn up and do their jobs, but it is a different model.

I would argue that there is a conflict of interest inherent within the whole vertical-integration business model. That conflict of interest is much bigger than just governance on superannuation. It is wide. We had the FoFA debate in this chamber. It is why we had financial planning scandals in CommBank and a number of the other big banks and financial services companies. It is all about making profits for shareholders. That conflict of interest did influence the culture within those banks, that for-profit culture. It is the simplistic breakdown, because there are corporate funds and other types of funds but, essentially, we have two types of funds within the trustee system: for-profit funds, and not-for-profit funds. The not-for-profit funds are for the workers and members, and the for-profit funds, the retail funds, are for making money, mostly for the big banks.

Is anybody not joining the dots, here? Perhaps Senator Edwards may not be yet. I will give him a few minutes to join the dots. This is an attack not only on the union movement—which is part of the government's overall ideological attack to put the union movement out of business, in this country—but also an attack designed to help the banks and the big financial services companies who have to compete against union—or should I say, workers through their unions—equal representation trustee models. This is an attempt to allow the big financial services companies, the retail funds, to profit at the expense of industry super funds. They are making it tougher for industry super funds. This is an attempt to give a leg-up to the big banks. That is the way I see it. It might sound simplistic to some but, as I have learnt in my short three-and-a-bit years in this place, I have come to expect that these things do drive decision making around legislation.

I go back to my original point. If the performance of the original industry super funds has been good, and I accept there are challenges ahead for all superannuation or investment funds, it is going to be a tough 10 years no matter whether you are a retail or industry super fund. It will not be easy. Returns are getting harder and governance models need to be solid. They need to be good. But why this prescription of a third of independent directors? It sounds ideological to me.

If the industry super funds were not performing or there had been significant blow-ups in corporate governance, in the last 10 years, I would accept that we had some evidence, here, in front of us. I have not yet tied the APRA concerns that have been expressed publicly, that are inherent in this bill, that somehow the model is not working or needs to change, with the evidence in front of us. I want to make it really clear that I accept there are risks and challenges ahead for all super funds, but I do not see the basis for supporting this bill. As my colleague Adam Bandt said in the House when we debated this bill, 'If it ain't broke why fix it?' At the end of the day, what we should be doing is looking at how we can prevent the conflicts of interest within the vertical integration of financial services, in this country. That is where the real debate needs to go.
I expressed disappointment when the Murray review was released that this was not, first and foremost, something he tackled. I have absolutely no problem with David Murray at all. But he was the CEO of the Commonwealth Bank during the period when the bank's did vertically integrate and bundle and sell products to their customer base. I was a bit disappointed—very disappointed—that he did not actually take this issue on in his financial services inquiry. Let's be honest, it was the elephant in the room. The media were speculating that he was going to break up the business model of the banks. That is what was being discussed in the media—will David Murray break up the business model of vertically integrated banks?

These conflicts of interest are so obvious. Let me tell you, they are evident in the retail funds that are competing against industry super funds. Here we are, having an argument around potential conflicts of interest on industry super fund boards. Why are we not having the same discussion about conflicts of interest on retail fund boards? The only conclusion I can draw is that because those retail funds are for-profit funds, somehow that is good. That is great—they are doing the right thing because they are making money. Yet, on the other hand, the industry super funds are there to make returns for their workers and for their members, so they are not to be trusted because they are not-for-profit organisations. They do not have any idea what they are doing. Somehow their governance model is not acceptable.

The irony is that when you actually look at the ASX corporate governance model, where the boards themselves have to decide the mix of qualifications and the governance model is dictated around their conflicts of interest, there are no proscriptions there. It is left up to them. Is that because they are the private sector as well? Is that because they are good at making money for shareholders and therefore we should leave them alone? Let them do the right thing, and if they come a gutser then they can be tackled, but let's just let them do what they need to do? We have industry super funds that are not-for-profit and are making returns for members. I understand that the directors on the industry super funds are not paid a huge amount of money. They are not really paid a lot of money. I have no doubt that the industry super funds do have to pay significant fees to the people they outsource their expertise to and the IFAs they deal with. But they are the private sector. They are the people who are out there making decisions.

I actually like the industry super fund models, where they do invest in long-term illiquid assets like infrastructure. Recently at a hearing—Senator Smith, it might have been the only one you missed—on the select inquiry into infrastructure funding we heard that the industry super funds make a 12 per cent return on their infrastructure holdings and they have nearly 20 per cent of their funds in illiquid, long-term infrastructure projects all around the world. That is a decision they have made. They deal with experts and they make great returns for their members. I think that is really good, and I think there is flexibility for us in the future to work with industry super funds to channel some of the savings of workers directly into large infrastructure projects in this country, where potentially a lot of the workers own assets.

There is huge potential in the way industry super funds can contribute to this nation. I really do not accept that there is enough evidence in front of us today to pass this bill. Adam Bandt MP, in the other House, made it very clear that the Greens will not be supporting this bill. I stand here to say that today there is no reason for us to support this bill. This bill in an attack on the union movement and it is designed to give the banks a leg up.
Senator EDWARDS (South Australia) (10:18): I rise to speak in favour of passing this bill. Senator Whish-Wilson and Senator Dastyari are here. Obviously, they were both involved in the hearing that we had in the inquiry we had into this bill—which, I must say, was much ado about not much at all. The inquiry attracted 27 submissions, which, on the scale of submissions into any inquiry, would have to be considered extremely low. So there was a low level of interest. Mainly the 27 were from industry super funds and unions of course, as you would expect—and I do not say that in a partisan way. They would be interested.

This is just simply good public policy. For those who are listening to this contribution, this legislation arose out of a review commissioned by the former government, the Labor government, called the Cooper review. This is where this good public policy has its genesis. The 2010 review's recommendations included that there be a minimum of one-third independent directors on fund boards and that it should no longer be mandatory for boards to maintain equal representation. I am sure Senator Dastyari is acutely aware of where this good public policy has its genesis.

You have heard other contributors here this morning talking about David Murray, who is an authoritative voice in this sector, having been involved in it most of his life at the highest levels. Everybody who is listening should understand that the 2014 financial system inquiry recommended mandating a majority of independent directors on the board of corporate trustees of public offer superannuation funds, including an independent chair. I think they do protest too much from the other side. This is just about ideology. The things that they do not understand they will resist. This change to having independent directors on super fund boards is consistent with international best practice on corporate governance. Nobody can deny that. Around the world, that is the modern view of how boards should be structured. I know that here has been a wedge attempted—the suggestion that trustees are different to directors and that they serve different causes. No, they do not. They all have to act with a fiduciary duty of care to their shareholders or their trustees. They need to maximise the returns to either their shareholders or their trustees. There is no difference.

Independent board members bring different skills and expertise. They hold other directors accountable for their conduct, particularly in relation to any conflicts of interest. This is not about union bashing. This is a progression of public policy which the Labor Party brought to the public space in 2010. We in this government have just continued the work. The Minister for Finance, who is in the chamber, understands the importance of this. We all get it. Why do we protest good governance? It surely could not be that the only people capable of presiding in an independent way are people that are members of unions or people appointed by unions. It could not possibly be that.

I will give you some examples of where change is needed. There have been mergers of equal representation super funds that have failed because they could not agree on the number of seats each board would receive on the board of the merged entity. They could not agree. This happened because each of the representative organisations, whether they be member or employer, wanted to maintain their ratio of positions. There are also situations in the retail fund space where a person sits as an independent on the fund and has, as an independent on a related company which provides services to the fund, an identified conflict. But some fund
trustees say that this is manageable. Perhaps it is, but, at the very least, they should not be considered independent in the context of a super fund board.

This legislation does not prevent union representation on funds. No, quite the contrary—the bill will only require super fund boards to have a minimum of one-third independent directors and an independent chair. In the statutory authority space that governments fund through levies and different things around the country, that is not unusual. The timetable imposed on super funds by the bill should not create any great difficulties—there will be a three-year transition period for existing funds. That will commence once, assuming this chamber sees reason, the bill gets royal assent.

Senator Dastyari made a contribution about the definition of 'independent'. The existing definition of 'independent' is being replaced because it relates only to whether a person is independent of the members and the employers of the fund. It does not cover any other relationships. Let me be very clear: the new definition identifies two sets of conditions that would preclude someone from being considered independent. The first relates to ownership or structural arrangements and the second relates to other relationships. This will ensure a broader range of circumstances are taken into account when considering a person's ability to exercise independent judgement.

The Australian Prudential Regulatory Authority, APRA, of which the Economics Committee has intimate knowledge through the referrals we have had—we deal with them on a regular basis—will be able to determine whether someone is independent based on whether they have the ability to exercise independent judgement. This will allow APRA to respond to a situation where a person's circumstances—their capacity to exercise independent judgement—are not clear. That is very important. Where somebody does not meet the technical definition of 'independent' but may still have the ability to act independently, APRA will be able to make a determination. Any such determinations by APRA are of course reviewable. That is everyday work for them. So someone affected by a decision can ask APRA to reconsider if they think the decision was not fair.

There are many supporters of this change. As is often the case, it is only a very loud, very small minority of people who are, for whatever purpose, remonstrating with government—about an initiative, as I said, of the former Labor government that arose out of the Cooper review. We are only trying to progress it now after it became burdened with inertia in the last government. The super industry, the association of super funds—they are in favour. The former boss of the Australian Workers' Union, Paul Howes, has indicated his support for the change. The regulator, APRA, has indicated that independent directors improve governance. There are others. Choice are an example. They are a respected consumer advocacy group and their publications are widely referred to in the community. Their director of campaigns and communications, Matt Levey, said:

Ensuring that all funds are held to high standards of governance will mean more consumers have a secure retirement … The Government has proposed a model that uses the best elements of the Cooper Review and FSI—the financial services inquiry—proposals with a reasonable transitional period.

This is not an impost. This is not a burden. We go to the Council of Small Business Australia—COSBOA, the acronym we know them by. They say:

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The fact that the directors are, in the great majority, chosen firstly on where they work rather than what skills and experience they have creates question marks around whether the best model of governance is in place. This proposed change creates improved transparency and an opportunity for the boards to improve their approach on collecting funds and dealing with people in the supply chain.

COSBOA do not mind having a crack where they think they need to and they have plenty to say if they do not agree with government. But here they are, eminently sensible people saying sensible things about a reform which back in 2010 was a priority of the then Labor government.

The list goes on: the Financial Services Council; the Association of Superannuation Funds of Australia, the Australian Chamber of Commerce and Industry—and I will give you theirs: 

Bringing superannuation governance rules in line with those of other regulated financial institutions, such as banks and insurers, is a balanced and reasonable reform that will strengthen the industry.

They have said further:

The decisions of trustees have significant implications for people's savings and would be strengthened by a greater involvement by independent directors.

The list includes the Australian Institute of Company Directors; Master Builders Australia; and David Murray, the chair of the Financial System Inquiry, who said:

Representative governance does not work in superannuation or in an industry.

The point about independent directors is that they can examine in a dispassionate way if policies are in the interests of members or for other reasons … that is very helpful. Independent directors are more likely to ask the right questions of where the interests of members lie, if there are enough of them.

That is pretty clear.

The National Australia Bank, Mercer and National Seniors Australia have all joined the chorus of support, as have the Self-Managed Super Funds Association, Suncorp and Sunsuper. Qantas superannuation chair, Anne Ward, said:

Personally, if I look at equal representation model it has served the industry well over the years, but it is time to change. The scale, the regulatory requirements and the sophistication that is required means the industry needs an influx of new talent and ideas.

The list goes on and on.

In Senator Whish-Wilson's contribution I heard his reference to 'if it ain't broke, we don't need to fix it' and the contention on the claim that industry super funds outperform others. Let's put that in perspective. Let's address that right here, right now. These claims require closer examination, and I am sure you will be very interested in this. The claim that industry funds outperform others is by an example. Many of the super funds performance figures are historical and do not take into account performance since the introduction of MySuper in 2013.

We need to compare like with like. We have to compare apples with apples and oranges with oranges. I see that Senator Conroy has joined in, hopefully to add his support to what is obviously a reform he initiated back in 2010 with the Cooper review. He was part of that government that thought well enough to have a look at this, to bring this to cabinet and try and get it through. Sadly, like many other good initiatives that were recommended by independent reviews, this was not adopted by that government. And here we are again trying to fix up what should have been fixed five years ago.
We will have a look at like with like; we will get back to that. APRA pointed out that many of the super funds' performance figures were historical on a number of occasions in the last few years. This is what they said in one of the inquiries:

… I have noted that comparisons of investment performance at fund level is not comparing apples with apples.

Although MySuper data is only available for relatively short period, it is starting to provide some useful comparative information as indicated by these next two charts—

which, clearly, you will not get in Hansard.

The first shows MySuper return targets and actual returns for the year to June 2015, while the second shows fees and costs disclosed for a representative MySuper member. Across the different industry segments, the median and range of returns for MySuper products is broadly the same, as are the median and range for total fees and costs.

That was delivered in a speech by Helen Rowell, an APRA member. It was governing superannuation in 2015 and beyond. APRA is putting some facts around this whole issue which are in complete support of what the government's agenda is here. It is also what the previous government's agenda was but, for whatever reason—I suspect it was because of the rhetoric that we are hearing from the other side—it was nobbled, like many good things. It was nobbled and did not see the light of day.

If we have a look at the September 2015 data, independent superannuation research and consultancy firm Chant West recently noted:

Industry funds and retail funds performed broadly in line with each other over the September quarter, suffering losses of 1.6 per cent and 1.7 per cent, respectively. However, industry funds hold the average over the longer term, having returned 6.9 per cent per annum against 5.5 per cent for retail funds over the last 15 years to September 2015.

While the majority of MySuper products had negative returns in the September quarter, there were 38 lifecycle products that had small positive returns.

Of the funds with positive returns, 22 were retail funds, eight public sector. No industry lifecycle funds had positive returns in the September quarter.

Fund performance is determined by a number of factors: fund profile, the legal structure and splitting investment returns between shareholders and members, the type of flexibility provided to fund members and the investment decisions. Stephen Anthony, the chief economist for Industry Super Australia, says that the key reason industry funds outperform their competitors is because they own and develop infrastructure and other unlisted assets with a long-term approach to capital allocation.

I do not know what contributions we will hear from the other side, but the dissenting report Labor senators provided when we inquired into this bill was thin and vacuous. I recommend that we support the bill. (Time expired)

Senator XENOPHON (South Australia) (10:38): I indicate that I do support the second reading of the Superannuation Legislation Amendment (Trustee Governance) Bill 2015, but I still have significant reservations about a number of the clauses in this bill, and I reserve my position in respect of the third reading. I have just had a very useful and short private discussion with the Minister for Finance, Senator Cormann—I hope he does not mind me saying that. Because this has been brought on, perhaps, unexpectedly—and I suppose in this place you need to expect the unexpected—there are some issues that need to be dealt with
substantively in terms of proposed amendments and concerns that I and, no doubt, others, including a number of my crossbench colleagues, have in respect of this bill.

The Assistant Treasurer, Kelly O'Dwyer, has been incredibly helpful and consultative in respect of this. I was due to meet her last night but because of other commitments I could not. I am due to see the minister again today at midday—high noon. I understand the government may be putting a number of proposals forward. I am not sure what they may be, but I think it is important that my crossbench colleagues and I, including the Australian Greens and, of course, the opposition need to have an opportunity to see whether the government have any different proposals or any changes in terms of what they are proposing, as they are entitled to do.

To put it in context, I would urge the minister to not go into the committee stage of this bill. It would be too premature. Amendments are being drafted. We are doing our level best to deal with this matter. If the government is of a mind to do that, as I hope they will—and I think the minister has indicated that they will be doing so—that is welcome. This is a big deal. We are talking about trillions of dollars worth of Australians' retirement incomes in superannuation funds. I think it is in the order of about $2 trillion. It will be trillions more in years to come. As the superannuation guarantee increases, it will be more and more and exponentially increase. That is a good thing.

A great legacy of Paul Keating, even though he called us in here the 'unrepresentative swill'—I am not sure what that hand gesture is, Acting Deputy President Sterle—he did do the right thing in terms of superannuation, in terms of Australians having a solid source of retirement income so that they can have a comfortable retirement. We are still short of that goal, particularly for those who have been in super for 10 or 15 years. If you do not have the benefit of a defined benefit scheme, for instance, you are behind the eight ball, if you have only been contributing to your super scheme in the last 15 or 20 years and you are on the cusp of retirement. I welcome this debate. I welcome this bill in terms of superannuation governance because it raises a whole range of issues that I think do need to be looked at and some do need to be reformed.

I want to touch on four specific issues. I know that Senator Edwards, on behalf of the coalition, gave a good summary of the coalition's point of view and I commend him for that. If I could outline areas of interest. The key issue for the government appears to be having one-third independent directors. That is something that I have been sympathetic to in the past. A number of arguments have been put to me expressing concerns about that, whether that gives the best outcome for members of superannuation funds. And it relates to issues of transparency as well.

I think it is desirable that there be an independent chair of a superannuation fund, independent of the employers, independent of the employees through their union. I think that is absolutely critical. I do not think there should be any argument in respect of having an independent chair as, for instance, a number of unions have, such as the SDA. I saw Mr de Bruyn, a legend in the SDA, recently where he said that the SDA does have an independent chair and it has been a good governance arrangement in respect of that.

On the issue of having one-third independent directors, there have been previous reports and independent reviews carried out where there has been a suggestion that there ought to be at least half independent directors. The government has come up with what it considers to be
a compromise position of one-third independent, one-third employer representatives and one-third employee representatives. The question that has been raised, and I think it is a legitimate one, is how you define a person who is independent. In the context of directors of a superannuation fund, that is fraught with some difficulty in the current drafting and is something that needs to be explored in the committee stage.

What I will be suggesting for consideration by the Senate, and I will have a draft in writing and in a form that can be considered by the Senate, is to have a requirement for a superannuation fund to set out why it has not reached a target of one-third independent directors, to explain to its members why it has not done so and the reasons for that; not to mandate it—perhaps that may be a bridge too far. But, of course, I am open to discussions with the government in respect of this. Going down that path may be, perhaps, a halfway house, but it puts it firmly on the agenda and it may lead to more superannuation funds reaching that target of one-third, one-third, one-third.

In the same way—and this is an issue that I am not giving up on—on the issue of gender equity I think it is desirable to mirror a bill that I introduced with a number of my colleagues to ensure that, if a board does not have 40 per cent women and 40 per cent men, it needs to provide a report. It is not a quota and is not mandating it; it is to set out very quickly why they have not reached that target. I think with the SDA, for instance—and this is not a criticism of them—their board representation is way, way below 40 per cent women, and I think that a majority of their members would in fact be women. So I think that being part of that cultural shift to have that gender equity and to have more women on boards—or more men on boards, for that matter, if it is a union where for some reason 70 or 80 per cent of that board are women—is a reasonable goal, but again it is not mandated. I raise now, in a preliminary way, that a similar approach to the one in respect of independent directors may be an alternative approach to this. It is not the desired approach of the government, and I understand that, but I think it ought to be looked at.

There is another issue that I wish to raise that I am very passionate about, and that relates to the issue of having an annual general meeting type arrangement. I say 'type arrangement' because it would not be an annual general meeting strictly in accordance with the requirements of corporations law, where resolutions can be passed and where the requirements of the corporations law for a shareholders general meeting would apply, but it would be an annual general meeting in this sense: members of a superannuation fund can attend a meeting where the chairman and the board of directors will be present at least once a year, and members will be able to put reasonable questions to that board as to how their fund is performing and ask them to justify their decisions.

For instance, Mr Acting Deputy President, you are aware that I hold a few hundred dollars worth of shares in Qantas, so I can go along to Qantas annual general meetings on behalf of my many constituents who are Qantas employees and who want me to ask questions on their behalf about the performance of Qantas. My shares are now probably worth in the order of $1,000. I can ask the chairman, the CEO and the directors of Qantas as many questions as I reasonably can about how they perform. If I have $100,000 or $200,000 or half a million dollars in a superannuation fund, I do not have that right, even though my retirement savings and the income upon which I can live from those savings are at stake. I do not have that right, and I think you should.
It is an issue that I have raised publicly. I have raised it with the former minister, Mr Frydenberg, and with the current minister, Ms O'Dwyer. I think it is an important transparency measure. If you are a member of a retail or industry super fund, you ought to be able to go along to what is styled as an annual general meeting and ask questions, and the board should be able to answer those questions as to what the fund is doing, why they have made the investment decisions they have, why they have such and such a composition of directors, their governance, and all those sorts of issues. It might make some boards uncomfortable, but so be it. We are talking about the retirement savings and the retirement incomes of millions of Australians.

What I am proposing is that as long as there is an electronic notice given—in other words, the compliance and administrative burden is minimal—and there is a prominent notice on the website of the superannuation fund advising of the meeting, I am sure that it will be adequately disseminated. That is an amendment that is currently being drafted so that it can be circulated for consideration by the Senate, and I hope that it is not looked at through a partisan prism. I think that it is something that needs to be dealt with in a way that I think will improve transparency and governance of superannuation funds. I would welcome bipartisan and crossbench support for that.

The issue of related party transactions is something that industry super funds have raised with me, and retail funds may have their own issues with transparency, which I am happy to listen to. There is an issue as to the transparency of related party transactions. It is something that should apply to all super funds—retail and industry super funds—that they must set out details of related party transactions to ensure that the transaction was at arm's length and was on commercial terms. I do not think that retail or industry super funds would have any difficulty in complying with that if they are doing the right thing—if the transactions are defensible and genuinely at arm's length. Related party transactions must be done on a commercial basis so that no favours are seen to have been done. I think that is important for transparency.

Again, these are matters that are being drafted. I understand the opposition may be considering an amendment along those lines in any event. This is a big deal. It is important. I think the government and the previous government have looked at the issue of superannuation governance. I believe there is scope for improvement. I understand what the key battlegrounds will be, but I would like to think that at the end of this process, by the time we get to the third reading stage of this bill, we will have a package of measures that will advance transparency, in a way that is not seen to be counterproductive in terms of some of the other measures proposed, and that we will at the very least ensure that anyone who is a member of a superannuation fund will have the right to attend an annual general meeting and ask the questions that need to be asked, particularly if that person has their lifetime of savings in that superannuation fund.

So they are the issues. I propose to go into much more detail should this matter go into the committee stage, as I hope it will. I think it ought to go into the committee stage. The second reading of this bill ought to be passed, because I think the government deserves to have these significant amendments debated and appropriately considered in the committee stage of this bill.
Senator MUIR (Victoria) (10:51): I rise to make a contribution to the debate on the government's Superannuation Legislation Amendment (Trustee Governance) Bill 2015. The bill makes various changes to the Superannuation Industry (Supervision) Act 1993, or SIS Act, with the main changes being a new requirement that all new superannuation funds regulated by APRA have at least one-third independent directors and appoint an independent chair. The issue of whether there should be a mandated number of independent directors is not a new one. I am not going to go over all the history. I think most people who are interested in this debate know enough about it.

It is no surprise that this change is being pursued by the government. One of the key reasons behind the change dates back to 2010, when the ALP-initiated Cooper review was published. At page 54 of the Cooper report, it stated: Equal representation was an important aspect of the governance structure established by the SIS Act in 1993.

... ... ...

However, the Panel has come to the view that changes in the industry over time and certain implementation practices mean that equal representation no longer seems to achieve its original stated objective.

... ... ...

Equal representation leaves significant groups 'unrepresented.' Key among these are members who are pensioners (and potentially other post-retirement members in the future) and members who have joined the fund because they exercised fund choice. These groups of members, already sizeable in some funds, can be expected to grow in the future.

In responding to this and other recommendations, the then ALP government considered:

... beyond the existing regulatory framework, the composition of a trustee board is a matter for the board to determine, but will refer to APRA the need for guidance on managing conflicts of interest.

It also considered:

... the current arrangements requiring equal representation remain appropriate in ensuring members are able to participate in the management and protection of their retirement savings.

Well, five years later and here we are. I have a feeling that, if this issue is not resolved now, we will be back here looking at it again in 2020.

In assessing this policy change, I asked myself this simple but important question: is there sufficient justification for imposing a mandatory number of independent directors on all super funds? I knew that, if I answered yes to this question, I could then look at whether the legislation gave effect to this and also examine any unintended consequences that may arise. There were some solid arguments, but in the end I answered yes to that question. One of the main reasons as to why I arrived at this position was a meeting that I had with the Association of Superannuation Funds of Australia, or ASFA.

ASFA appealed to me because their membership includes corporate, public sector, industry and retail super funds that represent of 90 per cent of the 14 million Australians with superannuation. They seemed to approach this issue with the hope of finding a compromise position while still giving effect to the main policy change that the government wants, much like what I and my colleagues on the crossbench do from time to time. ASFA support the
government's policy change, which will see at least one-third independent directors on super boards as well as an independent chair. Importantly, ASFA stated:

This support should not be seen as a criticism of current governance structures, but instead recognises changing community expectations, increased complexity and risk in running superannuation businesses, and significantly higher regulatory standards and liability.

The superannuation system has changed and will continue to evolve into the future. Many super funds are public offer, meaning that anybody in any industry can join. As a result, we are seeing super funds which traditionally only had members who were from specific occupations broaden their member base.

Many industry super funds decided to become publicly available to the whole community over a decade ago. This is the basis for widespread advertising by industry funds such as Hostplus and AustralianSuper which sponsor football teams and other sporting codes. Currently there are 161 public offer funds and 125 non-public-offer funds. Most importantly, the public offer funds account for 89 per cent of the members and 78 per cent of the funds under management. All public offer super funds have elected to be publicly available to consumers from all types of employment. As a result, all public offer funds have both a legal and a fiduciary responsibility to all their members, regardless of their field of employment. Do these funds require special board arrangements to suit particular sectors when they are obliged to serve the interest of all consumers, not just a subset of their membership, or should the requirement of a mandated number of independent directors apply only to public offer funds?

Arriving at the position of agreeing that there should be a mandated number of independent directors is, however, only one hurdle. There are two other issues that I have had to carefully consider, and these two issues have been the main obstacle as to whether I can support this bill. These are the removal of the representative governance model from legislation and some of the consequences that will occur as a result of the definition of 'independent'.

Removing the representative governance model has attracted a lot of criticism. When this bill was considered by the Senate Economics Legislation Committee, the Department of the Treasury told the committee that, although the equal representation model had been appropriate in 1993, when superannuation was made compulsory, it had lost its utility. The Treasury noted the Cooper review, which found that industry change had lessened the need for equal representation. The Treasury submitted that the equal representation model was now detrimental to governance:

The current equal representation model in the Superannuation Industry (Supervision) Act 1993 (SIS Act) hinders the natural refreshing of boards because of the restrictions on the number of independent directors that can be appointed to some registrable superannuation entity (RSE) licensee boards.

In contrast, Mr Alan Kirkland, the Chief Executive Officer of CHOICE, told the committee that, although they supported the introduction of independent directors, the changes set out by the bill were significant. He told the committee that the bill takes quite a big step in repealing part 9 of the act and, in doing so, removing the definition of a 'member representative' and 'employer representative' as well as the basic equal representation rule, which seems like a very big change in the context of the overall aim of this bill.

Representatives of the ACTU told the committee that the equal representation model was successful in fostering consensus in board decisions. Further, the ACTU told the committee
that change was not needed while the system was successful. Further, ASFA submitted that its members expressed strong concerns regarding the repeal of the equal representation provisions and recommended that those provisions remain in the legislation.

I note that Senator Bushby, while questioning representatives from the Australian Institute of Superannuation Trustees, stated that if the bill was passed it would still be open for a fund:

… to decide to maintain … equal representation with the two-thirds that are not required to be independent directors or to do something different if that board in particular thinks that it is in the interests of members to do so. Certainly if the board decides it wants to maintain that equal representation, it can. On that basis, it abolishes a legislative requirement for it but it does not abolish equal representation.

Mr Garcia from the AIST said in response:

The presumption there is that it will be maintained in the trust deed. From what we understand, our members will maintain it if this government legislation goes through. This was a big concern to me, which is why I am considering moving an amendment which will keep the representative model in legislation. I am currently consulting with and will continue to consult with relevant stakeholders on this amendment prior to circulating it. I think there needs to be some serious debate on this amendment and other issues relating to this bill, and I will support the second reading in order to see this bill moved into the committee stage. I have not indicated my final position on this bill to the government, but I am hopeful that we can negotiate a way forward—and it seems to be a common theme in the chamber.

In relation to the definition of 'independent', some submitters raised concern about the proposed definition of 'independent' for the purpose of meeting the requirements of the bill. For example, the Governance Institute of Australia suggested that legislation should 'set out the principle of independence but not prescribe a definition'. ASFA recommended that two changes be made to the definition. In their submission to the economics legislation committee, they stated:

ASFA recommends that the definition of ‘independent’ in the legislation be amended to enable organisations to retain the ability to have common independent directors on the boards of RSEs under the same financial conglomerate group, rather than having to rely on APRA to make a determination on a case-by-case basis.

We believe that, on balance, this is an appropriate exclusion given that there are no limitations proposed in the revised draft legislation on an individual holding office as director on multiple unrelated RSE licensees.

In our view, allowing directors to sit on multiple unrelated RSE licensees where the RSEs are in competition with each other but not sit on multiple related RSE licensees within the same financial conglomerate group as an independent director would be a poor policy outcome.

ASFA also recommended that the definition of independent in the legislation be amended:

… so that recent executive officers and directors of firms that are suppliers to the RSE licensee, but who themselves have had no previous dealings with the RSE licensee, should be allowed to be appointed as an independent director.

For example, a former tax partner (within the last three years) of a firm that currently provides audit services to the fund, but who has never themself had any dealings with the fund, should not be precluded from being appointed as an independent director.
ASFA considers that such situations can be adequately addressed as part of the RSE licensee’s conflicts management policy and procedures.

I think these recommendations improve the definition of ‘independent’, and I will support amendments that give effect to them.

Before I finish, I want to touch on some of the masses of emails that my office received. The emails included a line that said, ‘Please vote to stop the government handing over our super to the big banks.’ My response to this is that it is simply not true. Industry funds are corporate trustees where the relevant union and employer organisation own half the shares in the trust each. For example, the shareholders in AustralianSuper are the ACTU and the Australian Industry Group. The unions and employer groups will retain control over which independent directors should be appointed to the board. If the unions and employer organisations wish to appoint independent directors with backgrounds other than in finance, such as consumer representatives, they are entitled to do so.

Time and time again I see these campaigns that are full of misinformation. By all means, I want people to have their say and to let me know how they think I should vote, but I would prefer if their say is based on the facts and not blind ideology. If I wanted to make decisions based on ideology, I would not be on the crossbench.

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (11:04):
One of the tragedies of being in this place for nearly 20 years is the fact that my involvement in the superannuation sector takes me back to 1992, when I was a superannuation officer for the transport workers superannuation fund. I have been at the coalface and I have actually competed with so-called ‘independent’ funds, so I have dealt with ASFA both as an employee and for six or seven years when I was shadow financial services minister. I know ASFA well and I know the superannuation group sitting in the lobby well. The problem with ASFA is it no longer represents anything other than bank funds. There is been such a consolidation of superannuation funds around this country that ASFA is essentially nothing more than a mouthpiece for banks and their superannuation funds.

Let me take you back to 1998. The then head of the National Farmers' Federation wrote a full page in what was then a magazine called The Bulletin, an influential magazine, and it talked about the rising power of industry funds. They always call them 'union funds' to be pejorative. It said, 'We will be looking forward to checking the returns of the Electoral Commission to see how much money these union superannuation funds are going to give to the federal ALP in their election campaign, because they are just the puppets.' This was an article written by a bloke called Andrew Robb, then the head of the National Farmers' Federation. If you want to talk about ideology, those opposite—who now propose to caringly reform the most successful innovation of the Hawke-Keating government period, spreading superannuation to every Australian—voted against, every single time, every single increase that has been mandated for ordinary workers. Those opposite have voted against every single one, and every single time the banks have cried poor because the industry funds outperform them and have lower costs.

I was a superannuation officer. My job was to walk around at 5 o'clock in the morning at truck yards, stand on the dock and explain to them why they should be in a super fund. Do you know how much the average three per cent was back in 1992? It was about $10 a week. I had to convince people not only that this was a worthwhile thing for them to be in but also
that they should put more into their superannuation because it was good for them. So I stood there at the coalface. Do you know what the bank funds used to do? Do you know what the other funds used to be doing? They were offering deals to employers to try to get the employer to sign up to one of their funds and they could give them a better deal for the employer. A lot of responsible employers around this country rejected these sorts of approaches and have participated magnificently while they have been on the 50 per cent representation, while they have been on these boards. And they have done a great job.

Let me be clear. They are not actually a stakeholder; this is the members' money. They are not elected by the members; they are the bosses of the members who have worked and recognised the importance of giving financial security to their members, to their employees, over many, many years. This is a structure that has stood the test of time, but it is a structure that terrifies the life out of the big banks because the big banks have, for years, paid commissions. Senator Muir, you have sat through some horrific stories about the behaviour of some of the banks and some of the financial advisers. I did not get paid a cent as a trailing commission. I got paid an annual salary. I got not one cent if I was successful in convincing someone to join the fund. Not one cent. I stood there and had to talk to people and convince them that it was about their future, about their kids' security in the future, and I did not get a cent for it. I am proud of that. But ASFA represents the trailing commission group, the bank group. Banks are being dragged slowly—because of all the exposure that you yourself have done, Senator Muir, and others have done in this chamber, in exposing the rorts and the trailing commissions. But it is still deeply embedded in their culture.

I have gone to meetings, as shadow minister, of the Financial Planning Association, and I have stood there and said, 'It is time to professionalise your sector. It is time to start moving away from commissions.' I have been shouted at, screamed at and howled down. The first question I was asked, when I finished my speech and a person strolled up to me, was, 'Now you've demonstrated you know nothing about the financial services industry, I want to ask you the following.' That was the first question I got back in the late nineties and early 2000s when I looked after this portfolio area. We had a superannuation committee that was the longest-running statutory committee of this parliament. Nick Sherry was in charge of it and we were on it for many years together.

Then you want to count Jeremy Cooper. Let me give you a very succinct view of Jeremy Cooper: he is the village idiot. I do not think I have met a dumber human being that has ever been appointed to the ASIC board. He is arrogant and uninformed. I take zero notice of his recommendations, and the previous government took almost no notice of his recommendations, for good reason. His logic was flawed, his arguments were weak. For those who would point to Jeremy Cooper as an icon in this area: he has no experience whatsoever in superannuation. He was an accountant.

**Senator Cormann:** You appointed him.

**Senator CONROY:** I am saying that we took no notice of plenty of what he said.

**Senator Cormann:** But you appointed him—

**Senator CONROY:** No, I didn't appoint him.

**Senator Cormann:** Your government did.
Senator CONROY: He was appointed to do a review and he came up with recommendations that were worthless—something I predicted.

Senator Cormann: You were part of the government that did it.

Senator CONROY: This was under the Rudd government, mate. This was done under the Rudd government. Cabinet had little to do with it. Let me be clear: the individual involved has no experience in the superannuation sector. None. Absolutely none. This is the banks trying to do two things. They want to weaken the board structures to put on more of their mates, under the guise of independence. Let me tell you why it irks me, Senator Muir. Let me really tell you, because you, under this system, could almost certainly never qualify to be a director of a superannuation fund, no matter how well you had performed as a director. I object that truck drivers are being told that they are not good enough to be on the board of the super fund that has so successfully managed their superannuation fund. I have got friends who are directors and who are former truck drivers, and you want to throw them off because the big end of town do not like the fact that truck drivers want to represent their members' interests. This is an amendment that will throw truck drivers, timber workers and metal workers off boards. People who have been elected by their unions as representatives are going to be tossed off their boards. I am all for professionalising the industry. I am all for the training. I have supported, and we have advocated for, training for those representatives of the fund that I am still a member of and have funds in, and I trust the board of my fund. But I really object to the big end of town and their mouthpieces over on the other side, and people like Jeremy Cooper—who is nothing but a mouthpiece for the other side of the chamber—saying that a truck driver is not good enough to be on the board of a superannuation fund. Those truck drivers have done a bloody good job in representing the members' interests. They have delivered a cheaper fund, better investment decisions, no trailing commissions, and they have absolutely represented their members. They have absolutely represented their members' interests, including mine. I have still got money in my fund, and I am proud to say I have got money in my fund, because they do a bloody good job. I cannot believe that someone with your pedigree, your background and your genuine care in this area would fall for an argument that says that a truck driver or a timber worker is not good enough to serve on these boards—because that is what your amendment does. They will not tell you that, but that is what it does. You are going to say, 'You and you, you're not on the fund anymore.' That is truck drivers, timber workers, metal workers. Do you know who is going to replace them? It will be a bunch of suits who do not have the culture, who do not have the understanding, who do not have the care for the members of these funds. They are not there to represent the absolute interests. They come from the end of town that supports trailing commissions. You will be putting people who have always traditionally supported trailing commissions onto an industry fund.

I accept the banks, thankfully, because of the great work that you and others in this chamber have done in exposing the shonks and the actual, real impact. Hundreds of thousands of dollars are lost to members because of trailing commissions and all the other deals and the lifestyle of the bank funds. Hundreds of thousands of dollars that should be in timber workers' pockets and in truck drivers' pockets is lost because of the structures that you now want to introduce to begin this process.
This chamber has rejected this over 20 years because the argument has not been made that there is something going wrong. If the definition of something going wrong is that I have got a better performance than bank funds, that I have a cheaper cost base than bank funds, let it all go wrong, because what I am proudest of is my time when I worked as a superannuation officer for the truck drivers fund. I am proudest of defending that structure for the last 20 years in this chamber.

This is not the first time I have stood on this issue. I apologise, as I say: I am sounding like a really old senator. But those who are owned by and are mouthpieces for the banks in this country, who sit on that side of the chamber, are not genuinely interested in the interests of timber workers and transport workers. They are not. They actually want to deliver to their mates at the big end of town. Do not forget what this bill actually started as: it was to take the default fund out so members of a site could actually negotiate with their employer and say, 'We're in the TWU superannuation fund,' or 'We're in the Cbus fund,' or 'We're in this fund.' They want to take away the right for them to do that. As far as I know, you have all sensibly, hopefully, continued to say, 'There is not a chance in the world. We are not opening it up for the big end of town to start offering inducements,' and, believe me, they are very clever at how they do it.

So I am hoping that one is off the table. But this one is about saying truck drivers and timber workers are not good enough to be on this fund. They have not done the job, and we are going to get rid of them so that a few suits from the big end of town can start to wheedle their way in here. They do not understand the culture. They are not interested in the culture. They will be the mates of the big end of town.

It is really important that the structure of the super funds continue to maximise the benefits for the members. If there are people sitting outside this chamber who are telling you, Senator Muir, that it is okay to vote for this, they are not representing the unions—

Senator Bushby: Through the chair.

Senator CONROY: Absolutely! Thank you for your admonishment, Senator Bushby, I accept it. If there are people sitting outside these walls right now, Senator Muir, who told you, 'No, it's okay. This is okay,' they are not representing the workers in this super fund. They are not representing the Transport Workers' Union members when they whisper in your ear it is okay to vote for this. They are not representing them, because I can tell you that transport workers are bloody happy with the returns and the performance of their fund and the cost base of their fund. They were very happy that I was not getting a trailing commission when I convinced them to put more money in—which, back then, was pretty hard, I can tell you. Five o'clock in the morning in a garbage truck depot is not a great time to convince people to put another 10 bucks into the super fund, let me promise you that.

I was not immensely successful, but my financial remuneration did not depend on it. So I did not have to fib to them. I did not have to con them. But if you start voting truck drivers off boards, then I say that I cannot believe you would do that, Senator Muir. With your background, your genuine concern in this area, your understanding of ordinary working people in this country, I cannot believe you would fall for the spivs from the big end of town—just like they told you they would be kidnapped, and we have seen through that. I congratulate you and I acknowledge that. You saw through that, and this is another one. This is nothing more than putting some suits on and taking some representatives of working people
off these funds—truck drivers, metalworkers, timber workers. These are people you know, people you spend every day of your life with and people I know you care about.

You are saying they are not good enough to be on these boards. I absolutely find that offensive. I am used to them. I get them. I cannot believe you would fall for it. I genuinely cannot believe, Senator Muir, you will move an amendment to vote transport workers, truck drivers, airport workers and timber workers off these boards simply to appease the big end of town. I repeat what I said at the beginning of this contribution: ASFA do not represent the truck drivers in the fund that I am a member of. They absolutely do not. They once represented an incredible mix of funds, but if you look at who ASFA's members are now it is the big end of town calling the shots. I have dealt with them for 20 years—I love them—from when Sue Ryan, a former Labor minister, was in charge of ASFA right through 20 years of this history.

So I ask you to think carefully. I know you do genuinely listen to the debate in the chamber. I know you do genuinely listen to the concerns that are raised with you. But, genuinely and seriously, you are going to vote working people off the boards if you put this amendment up that you are talking about doing. I hope we get a chance to continue the conversation. You have said you want to. I appreciate that. But, please, I ask you: understand what it is really about. The Liberal Party and the business community and the banks, particularly, hate industry funds because they challenge the business models of those institutions. They are challenging them successfully. They are challenging them with better products, with cheaper prices and better returns for their members. So they will do anything; they will make up any argument. I am surprised not to hear that there are going to be kidnappings of superannuation fund officials if this does not happen! That will be the next thing they will try, Senator Muir, but I know you will not fall for that one.

I hope this bill gets defeated on the second reading, because it should be sent off to where it belongs—back into the bottom drawer of the big end of town and the banks, who want nothing more than to begin the destruction of industry funds. Do not fall for ASFA's line. I know ASFA intimately. They are now controlled by the big end of town and the big banks, who are the big funds in ASFA. They provide all the funds, they drive all the policy and you should not draw solely on them as your inspiration. I am not saying you are, but I am saying you should not draw on them. You equally should not necessarily draw on some of the people who are pretending they are out there representing the funds. You should be talking with actual elected representatives of the people whose money is in the funds. When you elect your union leadership, you then knowingly elect the directors of your fund. They are elected by their members to be on these funds. That is how the system works. I have sitting with me a former member of his superannuation fund, Senator Bullock. He was elected as a union official and, through that, onto the fund board. The members elect them, and you want to take away that right.

Senator Cormann: That's not true.

Senator CONROY: You do. You are saying there has to be a reduction in the number of representatives on the board. I know you want to increase it so you can have 10 mates on the board who all then get paid more fees. They will love it. It is a big trick. The next argument will be that they have got to rationalise the number of people on the board. I have been through this for 25 years or longer, as an employee of a union. I have watched how these
funds operate. They are not absolutely perfect and at times they have needed more training. If you were to say, 'We've got to make sure that they've done all the professional training standards, make sure they do the courses,' I would support that. The truck drivers who are on the board of the TWUSUPER fund would absolutely support that. They have always got a thirst for more information and more knowledge, but it is not like they have been making the wrong decisions. If it is about making sure that they have the best representation possible, go for it, and this chamber, I am sure, will support you on it. But, if it is simply about making sure that some truck drivers and some timber workers are kicked off, then I am going to stand up and say no, and I am going to say it with a heartfelt appreciation for the people who are on those boards who are doing a great job for their members today. I hope that we get a chance—well, I hope we do not, because I hope the second reading goes down—(Time expired)

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (11:24): I thank all senators who have contributed to this debate on the second reading of the Superannuation Legislation Amendment (Trustee Governance) Bill 2015. Let me just address some of the issues that have been raised during the debate, in particular some of the issues that have just been raised by Senator Conroy. The first point that I would make is that this bill will deliver very important improvements to corporate governance when it comes to superannuation funds. With the greatest of respect to my good friend and valued colleague and member of Her Majesty's most loyal opposition Senator Conroy, the world of superannuation has changed since 1992. That was actually a key finding, a key observation, of Jeremy Cooper in the Cooper review, which I note that, in Senator Conroy's contribution today, he sought to disown but which was commissioned by the previous Labor government. The previous Labor government asked Jeremy Cooper to inquire into the superannuation system at the time and to make recommendations on how it could be improved. His finding—not the coalition's finding, not the Liberal Party's finding, not the National Party's finding but the finding, the very considered conclusion, of the Cooper review—was that the equal representation model originally enshrined in the SI(S) Act, where employer representatives and union representatives make up in equal numbers the boards of various industry funds, is no longer contemporary.

There are a range of reasons why it is no longer contemporary. Firstly, this is big business now. The superannuation system generally, including industry funds, is looking after a very big pool of capital. It is looking after the retirement savings of a lot of Australians, and we have got to make sure that the corporate governance arrangements are such that the interests of those members are appropriately and adequately protected and looked after. The other big change is that the composition of the membership, including the composition of the membership of industry funds, is very different to what it was in 1992. Some people have made the point that these funds—and it is fine—advertise for additional members. A growing number of their membership are not related to the industries that originally made up those industry funds. So to say that somehow employer reps and union reps elected by members employed in an industry that is connected to a particular industry fund are best equipped to look after the interests of everyone, including those members that are not actually connected to that industry, is just false.

Senator Muir, I have to very directly address a very inaccurate and dishonest point, if I may say so, that Senator Conroy made—that this is somehow about kicking truck drivers and
timber workers off industry super fund boards. That is just completely false. There is absolutely nothing preventing an industry fund from having a truck driver or a timber worker on its board in the future, assuming that he or she has the appropriate qualifications and the appropriate capacity to contribute. I am sure that there are many timber workers and truck drivers who would be able to make a good contribution, and there is nothing in this bill that would prevent that from being the case in the future. So I completely dismiss that.

What we are trying to do in this bill is to say that at least one-third of the directors on the boards should bring an independent perspective. This is just part of modern high-quality, best-practice corporate governance. This is to ensure that there are appropriate tensions within the board to ensure that the interests of all members in that fund are appropriately taken into account.

There are actually a number of industry funds that do not find this prospect that scary. I was the shadow minister in opposition for financial services and superannuation and I remember very well a dinner that I had with the board of Hostplus—an industry fund. Senator Muir, you would be interested to know that, on its board, Hostplus—they have got an independent chair for starters—has one third independent directors, a third employers and a third union representatives.

Let me say to you: it works very well for them. It is a very good fund, and they have done a very good job under that sort of corporate governance structure. It is all about moving with the times. It is all about making sure that the governance structure, which sits over the top—

Senator Kim Carr: The banks have always had the position they have now.

Senator CORMANN: Of looking after the growing volume of retirement savings of people across Australia is of an appropriately high-quality standard.

Senator Conroy: The banks have gouged millions.

Senator CORMANN: Listening to the Labor Party yell and scream here—this is clearly something that goes right to the core for you, because you are here doing the bidding of a vested interest. We are here to pursue good public policy. We are about making sure that the corporate governance arrangements in superannuation are more closely aligned with corporate governance arrangements when it comes to publicly listed companies. That is not something that we came up with on our own; this is something that was recommended by your review—the review that was commissioned by the Rudd Labor government, in which Senator Conroy, when I last looked, was deputy leader. He was the Deputy Leader of the Government in the Senate of the government that commissioned this review.

Senator Conroy: And we rejected it!

Senator CORMANN: He now tells us that, as deputy leader in the then government, he had no influence in the decisions that were made by that government. That is what he was effectively trying to say—

Senator CONROY: That's right.

Senator CORMANN: He is still trying—he is saying that this is one of the things that the Rudd Labor government got wrong.

Senator Conroy: That is why I refused to serve a second time.
Senator CORMANN: Let me just say that one of the few things that the Rudd Labor government got right was to commission the Cooper review into superannuation. After superannuation in the more modern form with compulsory superannuation and so on had been in place, it was quite appropriate for there to be a strategic and comprehensive review into how the system was operating and how the system could be improved. One of the central recommendations that the Cooper review made was to ensure that there was appropriate provision of independent directors—at least a third independent directors on relevant super funds boards.

We took this policy to the last election. We said that we would ensure that this policy would be implemented and, as a result of this bill, super fund boards will be required to have at least one-third independent directors and an independent chair. The changes will not apply to self-managed superannuation funds—obviously, people in those are looking after their own affairs.

The changes in this bill will align governance and superannuation more closely with the corporate governance principles applicable to ASX-listed companies. This will increase the proportion of independent directors of superannuation funds and ensure that directors with the best experience and expertise are represented on superannuation boards, enhancing decision making and producing better outcomes for members who are minimising the costs to the superannuation industry. Not only did the Cooper review come to the conclusion that this was necessary; the Financial System Inquiry also concluded after consulting widely that superannuation fund members would benefit from greater independent representation on fund boards.

These changes represent international best practice. As a result of the changes, superannuation fund members will benefit from international best practice governance with independent board members in line with the governance arrangements applicable to other financial institutions regulated by the Australian Prudential Regulation Authority. This is appropriate as superannuation fund members' contributions are frequently compulsory in nature and less accessible than the funds held on behalf of depositors and policy holders in banks and insurers.

This bill will apply to all APRA-regulated superannuation funds. With these funds, member balances involve compulsory payments, access only upon retirement and management of the funds by someone other than the member. These considerations do not vary, if the fund is a corporate industry, public sector or retail fund. Bringing governance arrangements into line with international best practice, requiring independent directors on all boards, best ensures that decisions are made in members' best interests and not in the best interests of others.

I can see that there is some furious last-minute lobbying going on at the back of the chamber of Senator Muir. I have to say: I found Senator Muir's speech in relation to this very compelling. The government has put, obviously, a set of proposals on the table with this bill. I am proposing, at the conclusion of this second reading debate, to put this bill to a vote for the second reading and then adjourn before we go onto the committee stages. There will be the opportunity for further conversations with all interested parties on how this bill can be further improved, and let's get back to it next week perhaps.
I completely reject the notion that this is somehow a terrible sneak attack on unions or employer representatives and the role that they have historically played in industry funds. This is driven by improving corporate governance standards. This is driven by a desire to ensure that the corporate governance arrangements in superannuation across the industry move into the 21st century, and that the increasing diversity of people who are members of superannuation funds have the confidence that the corporate governance arrangements maximise the focus on their best interests in making sure their retirement savings are safe and that investment returns are maximised.

Senator Muir, a very good speech—I found your arguments very compelling; they certainly align with the way the government is looking at this particular public policy issue. The arguments that Senator Conroy made were either false, like the proposition that truck drivers and timber workers would not be able to serve on these boards—that is just wrong.

The suggestion that we should rely on Senator Conroy’s experiences in 1992 as a superannuation officer in order to make a judgement in 2015 on the merits of this bill just proves everything we need to know about this. Senator Conroy is still stuck in 1992. We actually have a responsibility to look after the interests of people across Australia in 2015, and we need to make sure that the corporate governance arrangements help ensure that happens.

Senator Conroy: You are gouging them on credit cards, gouging them on home loans and gouging them on super funds.

Senator CORMANN: The yelling and screaming! I did not interrupt Senator Conroy once. The yelling and screaming is another piece of evidence of everything that you need to know about Senator Conroy’s approach to this legislation. We are interested in a reasoned debate. We are open to conversations with interested parties in the Senate over this next week on how perhaps through relevant amendments this legislation can be further improved. But we do really hope that the Senate will give this bill a second reading today so that we can do some more work over the next week and perhaps come back in the committee stages of the bill with some further amendments later in this sitting fortnight. With those few words, I commend the bill to the Senate.

I table an addendum to the explanatory memorandum relating to the Superannuation Legislation Amendment (Trustee Governance) Bill 2015.

The PRESIDENT: The question is that this bill be now read a second time.

The Senate divided. [11:43]

(The President—Senator Parry)

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

AYES

Abetz, E
Bernardi, C
Bushby, DC
Colbeck, R
Day, RJ
Fierravanti-Wells, C
Heffernan, W
Back, CJ
Birmingham, SJ
Canavan, MJ
Cormann, M
Edwards, S
Fifield, MP
Johnston, D

CHAMBER
Question agreed to.
Bill read a second time.
Ordered that consideration of the bill in Committee of the Whole be made an order of the day for the next day of sitting.

Migration Amendment (Charging for a Migration Outcome) Bill 2015
In Committee

Debate resumed.

The CHAIRMAN (11:46): The committee is considering the Migration Amendment (Charging for a Migration Outcome) Bill 2015 and amendments numbered (4), (9), (19) and (26) on sheet 7807 moved by Senator Carr.

Senator FIERAVANTI-WELLS (New South Wales—Assistant Minister for Multicultural Affairs) (11:47): Senator Carr, as I understand it now, the amendment that deals with coercion is the only outstanding—

Senator KIM CARR (Victoria) (11:47): I take it the statement has not arrived. There was supposed to be a statement provided by the government to the chamber. That is the last I heard.
Senator FIERRAVANTI-WELLS (New South Wales—Assistant Minister for Multicultural Affairs) (11:48): Senator Carr, I understand that there has been a discussion, and we are happy to put some information on the record during the course of the discussion of the amendment pertinent to coercion, particularly dealing with human trafficking and slavery. So we have some additional information that we are happy to put, subject to the questions that you want to ask during this committee period, and we are happy to respond to you accordingly.

Senator KIM CARR (Victoria) (11:48): I understand that this part of the proceedings should not take very long. I understood that the government was to make a statement. I also understood that the matter would be put without delay.

Senator FIERRAVANTI-WELLS (New South Wales—Assistant Minister for Multicultural Affairs) (11:48): I will deal with issues that I think are currently outstanding in relation to that amendment dealing with coercion and other matters. Perhaps if I can address firstly matters that will be taken into account when considering whether to cancel visas and whether these are policy or legislation. Under policy, consistent with other cancellation powers in the act, the visa holder would be afforded procedural fairness during the cancellation process. In considering whether to exercise the discretion to cancel, the minister or delegate would consider a range of factors such as the person’s complicity in the payment-for-visas conduct, the strength of their ties to Australia and contribution to the Australian community, and Australia's international obligations, such as the best interests of children, family unit and the non-refoulement obligations. Further to these existing provisions, the government will include requirements under policy that it is not appropriate to pursue visa cancellation where payments have been extracted under force of threats or other forms of exploitation such as human trafficking or slavery.

In relation to whistleblowers who voluntarily come forward with information in relation to payment-for-visa conduct, the government will also prescribe under policy that the intent of a person is relevant when consideration is given whether to take action against them and what form that action might take. However, it is important that there be discretion to take action in circumstances where, for example, despite having volunteered information the whistleblower was found to have acted in such a way that they should not be afforded protection. Accordingly, the government does not support the proposed amendment.

I will also put on the record changes that are being made by the government to assist victims of human trafficking. As part of the 2015-16 federal budget the government announced major reforms to the Human Trafficking Visa Framework. The Human Trafficking Visa Framework enables trafficked persons to remain lawfully in Australia while they assist in the criminal justice process. This new framework ensures these vulnerable people are provided with the support they require, particularly as they assist authorities throughout the judicial process to help bring perpetrators to justice.

Under the changes, the government is improving social security access for trafficked people granted a permanent visa by exempting them from waiting periods for a range of social security payments. Qualification to a broader range of social security payments will allow people on this visa access to further job and educational services and develop options for life after they leave the Support for Trafficked People Program. This measure starts on 1 January 2016 and will be ongoing.
The changes will also provide a better pathway for those who have assisted authorities and would be in danger if they returned home to move onto a permanent arrangement. In particular a permanent visa is available for trafficked people who have assisted authorities and would be in danger were they to return home. The reforms are the result of significant work across government and reflect our commitment to fight these crimes and to support trafficked people.

Senator KIM CARR (Victoria) (11:52): I thank the minister for the statement she has made. However, I believe the amendments would improve the bill and would put the principles she has outlined into legislation. That would be a more effective way of dealing with the basic questions about coercion when it comes to the mistreatment of people who are holding various visas. Having said that, I am more than happy if the matter is now put, if so desired by the chamber.

The CHAIRMAN: The question is that amendments (4), (9), (19) and (26) on sheet 7807 be agreed to.

Questioned negatived.

Bill agreed to.

Bill reported without amendments; report adopted.

Third Reading

Senator FIERRAVANTI-WELLS (New South Wales—Assistant Minister for Multicultural Affairs) (11:54): I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Shipping Legislation Amendment Bill 2015

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (11:55): As an island continent, it is in Australia's economic, environmental and national interests that we are a shipping nation. That is why it is so alarming that the Turnbull government has chosen to bring forward such a deeply flawed piece of legislation as the Shipping Legislation Amendment Bill 2015. This bill sells out the national interest, it sells out Australian businesses and it sells out Australian workers. That is why the opposition strongly opposes this bill, confident in the knowledge that our position reflects the values of average Australians. This bill allows overseas flagged and crewed ships to pay workers Third World wages to undercut Australian operators on domestic trade routes. It will destroy Australian jobs, but you do not have to take it from me. Do not think just because Labor is standing here making this argument that it is solely an argument we have made up. Senators, I want to quote from the government's official modelling. You can find it, if you want to look for it, in the regulatory impact statement and the cost-benefit analysis that is part of the bill. You can actually go to the government's own documents to back up everything that is being said here today. This is what it says, in the government's own words, on page 156:
Many of the operators currently operating under the Australian General Register would likely re-flag their vessels in order to compete with the foreign operators who enjoy the benefit of comparatively lower wage rates. Australian seafarer jobs would be adversely affected as Australian operators re-flag from the Australian General Register. Ship operators are likely to replace—
you will not believe that this is what is actually what is written in the government bill—
Australian seafarers—
paid under an enterprise agreement, that is, fair work rates—
with foreign seafarers (paid under ITF rates)—
that is, a long way below fair work rates. So the government's bill says that what will happen with this bill is that Australian companies will change where their ships are registered or flagged, as it is referred to in this sector. They will register in Liberia, a landlocked nation, then they will sack all their Australian workforce and employ overseas workers or, if the Australian workers who have the jobs are lucky, they will have their rates reduced to the international standard. That is what it actually says. To be fair, for once the government are not hiding their agenda. They are not hiding that they have a bill here which specifically states the wages of Australian workers will be cut or they will be sacked. And to underscore this point, the government shows that 88 per cent of the claimed savings to industry from the bill are from the sacking of the workers and cutting of the wages—that is on page 75. So from the companies and the employers in this sector, which we modelled, will come 88 per cent of the savings—from sacking Australian workers or from cutting their rates. This is what it says:
The modelling undertaken for the cost-benefit analysis did not include the cost of the potential loss of Australian seafarer jobs.
They do not even care. That is just what is going to happen—88 per cent of the savings and then we do not bother to model the cost of all those job losses. The government has also been good enough to tell us specifically where the jobs will be lost from. This is an extraordinary bill, but at least it is the truth from the Liberal Party. At least for once they are telling the truth as opposed to pretending that there is no impact on Australian workers. They say that hundreds of jobs will be lost in the Bass Strait non-bulk passenger crews and iron ore trades.

The Australia Institute used the government's modelling to make the simple calculation that 93 per cent—not 19 but 93 per cent—of Australian seafarer jobs in the coastal trade are expected to be lost. Ninety-three per cent of current Australian jobs will be lost in the seafarer coastal trade. What an extraordinary proposition from those opposite! The bill will see Australian mariners, who are subject to stringent background checks, replaced by foreign workers whose backgrounds cannot be absolutely clarified in the same way. Jobs, the environment and safety, which are all basic requirements of good governments, have all been thrown overboard by a government blinded to the national interests by their hatred of the Maritime Union of Australia. They are blinded by their need to reward big business with lower shipping costs no matter what the price to ordinary Australian families. It is an extraordinary bill but, again, at least I admire the government's honesty. For the first time that I have seen in nearly 20 years in this place, they are actually admitting that the sole purpose of the bill is to sack Australian workers and to cut their wages. Normally they disguise that, but today? No, they are being up-front about it.

This legislation is unmistakably bad for Australia. The bill is designed to repeal reforms the former Labor government implemented following a parliamentary committee inquiry and
months of consultation with all the relevant stakeholders. Labor's changes included the
requirement that firms seeking to move freight between Australian ports first seek out an
Australian operator. That is right—we were shockers. We said you have to try and find an
Australian operator and that, where no Australian ship was available, foreign vessels could be
used provided they paid Australian-level wages on domestic sectors. How shocking! We
made it mandatory that, if you could not find an Australian vessel, an Australian operator and
an Australian workforce, you had to pay the international crew Australian rates while they
were in Australian waters. There was a zero tax rate for Australian shipping companies; the
creation of an Australian international shipping register to help grow our international fleet—
we are an island, for God's sake—and the creation of a maritime workforce development
forum to improve the training of seafarers and port workers. Labor is committed to Australian
shipping companies getting fair access to the domestic shipping industry. Ships moving
freight between Australian ports should be crewed by Australian mariners.

When foreign flagged vessels are required to assist with the growing Australian shipping
industry, their crews should be paid Australian-level wages. We think that is only fair, as it
gives a fair go to all industry participants. It is reasonable to expect the same on our shipping
highways. By way of example, the United States does not allow any freight to be moved by
sea between American ports unless the vessel involved was built in the United States, is
owned by Americans and is crewed by Americans. There is a hardline position. Senators, it is
not just the United States that takes regulatory steps to ensure its coastal trade is done by its
own citizens. You might think that it is just Australia being quirky, but let me give you the
list. Every other nation in the G20 does it as well—Japan, Canada, Indonesia, China, Russia
and the EU. They all have provisions to maximise local involvement in coastal trading, yet
here in Australia the Turnbull government is obsessed with attacking unions, cutting wages
and sacking workers. These are not the Abbott government's ideological fetishes anymore—
this is the Prime Minister Malcolm Turnbull pursuing cutting Australian jobs and cutting
Australian wages.

This shipping legislation bill focuses on the former government's Coastal Trading Act. It
changes the act's name—we called it 'revitalising Australian shipping'. It no longer refers to
revitalising Australian shipping; it narrows the act to fostering a competitive shipping services
industry and maximising available shipping capacity around the Australian coast. There is no
reference to Australian shipping or Australian jobs or Australian industry anymore. There is
no mention of maintaining the Australian shipping industry, only of delivering arrangements
that reduce shipping costs. This is a bill that sets out its name and objective to reduce the costs
and then says that 88 per cent of the costs are actually about cutting wages and sacking
workers. The definition of Australian nationality when referring to a ship has also been
removed. That is right—they have taken the definition of Australian nationality out of a bill.
This parliament will remove the definition of Australian nationality, because of this
government's complete indifference. Mr Turnbull, for all his slick suits and fancy waffle, has
a complete indifference to whether a ship carrying cargo around the Australian coast is
Australian or not. He does not care. He is happy enough to send all his assets to a tax haven in
the Cayman Islands and run them through there; that is all fine. But, when it comes to
Australian jobs, Mr Turnbull always follows the money. His money is in the Cayman Islands,
but, when it comes to Australian jobs, he wants to put Cayman Island workers into Australia.
That is what we have got here.
As Labor said in the committee report on this bill, 'With this framework approach, the detail of the bill heads down entirely the wrong path. This is why Labor believes this bill cannot be gainfully amended.' All of existing part 4 of the act which creates the existing system of preference for Australian ships in the coastal trade is replaced with a permit system with no preference. No-one listening to this debate around Australia or sitting in the gallery or sitting opposite in these chambers should be under any illusions, coastal trading permits will be available to foreign ships on the same basis as Australian ships.

When we had the Senate inquiry into this, we had one Australian operator appear before the committee and tell us that when he asked two departmental officials about the consequences of this bill, they specifically told him that his option was to reflag, sack his workers and hire foreign workers. He actually turned up in the parliament, notwithstanding that the Prime Minister had called his liar, notwithstanding that the Deputy Prime Minister had called him a liar, and told us what had been said. We then called the officials to the table and they admitted that is what they had said.

This poor operator who runs coastal ships up and down the west coast of Western Australian was called a liar in public by the Prime Minister and the Deputy Prime Minister. These people will go to any lengths to defame ordinary working Australians, when the officials turned up and admitted that that was exactly what they said. But when this gentleman went public and said, 'I can't believe I am being told by public servants employed by the government of Australia that I should sack my Australian workforce and reflag my vessel—that is what they told me,' he was called a liar. That is the test for a government.

The Prime Minister of Australia is making a big play about how Mr Abbott has gone and he is not Mr Abbott. Do not judge Mr Turnbull on his silver tongue; judge him on the bills he passes through parliament, the policies he pursues, the GST—the 15 per cent on food—he wants to give every Australian as a present for Christmas. Enjoy Christmas this year. This will be the last time you will be able buy a Christmas turkey without a 15 per cent tax on it. Enjoy your Christmas turkey this year, because next year, if Mr Turnbull is elected Prime Minister of Australia by the Australian people, you will be paying a 15 per cent GST on your turkey. This bill is a turkey and it should be defeated.

Senator RICE (Victoria) (12:09): As I rise to oppose the Shipping Legislation Amendment Bill 2015, there are 19 Australians standing strong on the ship on which they make a living, the MV Portland, and it is refusing to take its final journey from Portland in Victoria to Singapore. The owners of the ship, Alcoa, are poised to sack the Australian workers, choosing instead to employ a low-paid foreign crew on its route between Western Australia and Victoria. Their plight is indicative of the coastal shipping industry as a whole. It is a sector that is doing its best to stay put but copping rough seas in every direction, particularly from the Turnbull government with this bill.

We all well know that our nation is girt by sea and it is vital because of that that we have a strong local shipping sector. Shipping carries the vast majority of Australia's trade. In a single year, ships move nearly a billion tonnes of goods, worth about $200 million, in and out of our ports, employing 14,000 people at sea or on shore, people like those on board the MV Portland right now. These volumes of domestic freight are on the increase. We should be doing everything we can to support these people maintain their livelihood. Instead of that, the
Abbott-Turnbull government is cutting them loose with this bill, which continues the attacks on people in their workplace—attacks we see all too often.

The current challenges are coming from two directions: the industry must compete with subsidised land freight sectors and with international ships, which use much cheaper foreign labour. Where Australian seafarers have to be paid award wages, we have international foreign labour being paid $2 an hour. Instead of addressing these challenges with the industry and with the workers, the government has made the challenges even more difficult. Instead of facilitating ways to strengthen our local industry, to overcome the fact that we are a high-wage nation, the government is trying to push this bill through—a bill that will decimate what is left of Australian coastal shipping. Instead of standing with the workers, this government has embarked on a race to the bottom on workplace rights in the shipping industry.

Through this bill, the government wants to force Australian flagged ships to compete with low-cost foreign operators that do not have the same responsibilities to their workers in terms of minimum wage and working conditions. Over the weekend, I was contacted by a seafarer by the name of Chris, who said:

After spending years of training and hard work on our careers this situation is heartbreaking for my peers and (me). The possibility is real, if this goes ahead we will no longer have the opportunity to be employed in our own country. Nearly all of us will have to take our skills overseas or seek a new career.

He continued:

It beggars belief that our own government, who is meant to represent us, is seeking to put us out of a job.

The Turnbull government is hanging Chris and his workmates out to dry. Reforms introduced by the previous government to coastal shipping have only been in place since 2012—not nearly enough time for the reforms to take effect, but with this bill the government is tearing them down. The intention is clear: to deregulate Australian shipping until we have next to no local industry left.

The cost-benefit analysis accompanying this bill says it all. It estimates only 88 Australian seafarers, or seven per cent of the current workforce, will still have their jobs if these changes go through; 93 per cent of Australian seafarers currently operating in coastal shipping will lose their jobs. This is what this legislation will mean. So, apart from the Spirit of Tasmania, Australian-crewed ships will be entirely eliminated, and the rest of our coastline will end up with only foreign workers who are not subject to our country’s standards.

This week I met another seafarer, called Mick. Mick currently is a pilot. He pilots ships into Port Botany, including oil tankers. It is a really important job, and it is really important that it is done well, with every safety regulation and every workplace control in place. He had 15 years experience at sea before he became a pilot. Where is this experience going to come from if we have a maritime sector that includes only 88 Australian seafarers in our coastal trade? We will not have it. That is the reality. We will be saying: ‘Oh, no! We have a labour shortage. We haven’t got people who have the skills to be pilots!’ We will be importing, on 457 visas, Indian and Filipino pilots who do not know the Australian conditions, do not know Australian waters and have not done Australian training, or we will have training courses to become a pilot, which are all very well in theory—in theory they can tick off that they have done all these training courses—but then those pilots will be lacking experience, and it is experience that counts when situations get really tricky.
The government says these changes are inevitable, but independent assessment submitted to the committee who examined this bill looked at the regulatory impact statement and the cost-benefit analysis underpinning this bill, and this assessment shows that these are not documents that provide a sound basis for decision making or for policy development. Both largely ignore the economic context of the coastal shipping industry, contain omissions and have a number of technical flaws. You would think that people working in Australian waters should be subject to our country's proud tradition of high workplace standards, but no. What the government is proposing is one rule for land-based jobs and another for work being carried out on water in Australia.

Earlier this year, I got an insight into life on board a foreign-flagged ship that was anchored in Yarraville. This ship was working for CSR. It was operating in the coastal trade. It was being run by a foreign crew. It was operating for CSR and plying the east coast with sugar to be refined in Yarraville. The mostly Filipino seafarers on this ship were having major issues with undrinkable water and with their pay and conditions. They were being supported by the Seafarers International Union to get some recourse and some redress for the conditions they were facing, but it was a hard slog that they had to face in order to just get basic quality conditions. With the support of the international union, they managed to get the Russian captain of the ship removed from the ship and replaced by another captain. Is this what we want for our coastal shipping trade? It is not what we want for Australian shipping. We are a wealthy enough country that we can afford to be looking after our workers, looking after our coast and making sure that the conditions operating along our coast are conditions that we should be proud of as Australians.

These changes will hit our tourism sector as well. Australian coastal tourism operators simply will not be able to compete with foreign-flagged vessels that employ foreign labour. It does not make sense. They would not have that problem if their business were on an inland river or a lake. But making sense is not what this bill is about. At the recent Senate hearing into this bill, the evidence showed the government is happy to leave local marine tourism operators out to dry. We have heard plenty in this place, both as part of the inquiry and reported in this place, about the Western Australian cruise operator Bill Milby from North Star Cruises, who submitted to the inquiry evidence that the government's own senior bureaucrats had advised him to reflag his vessel overseas and replace his 50 Australian workers with foreign crew. He did not want to do that. He wanted to support his workers. He did not want to dump his local workers, but he felt he was being advised to do that and he would have to do that in order to compete with foreign-flagged vessels. This is not the situation that we want. We have to be able to have a way forward to keep those jobs here in Australia.

These laws will not just impact on the rights and wages of people at work, however; they will have a massive environmental impact too. The more freight we can get onto ships, the fewer trucks we need on roads and the lower the greenhouse gas emissions. If the traffic in our coastal waters is not properly managed, our marine environment, particularly the Great Barrier Reef, will be put at risk. We will be seeing more disasters like that of the Shen Neng 1, which spilt oil on the reef in 2010. Foreign-flagged vessels have a very high rate of 'detentions' and they are not subject to the rigour that we set here in Australia for our own vessels. If we look at the number of 'shipping occurrences' reported to the Australian
Transport Safety Bureau in the period 2005 to 2012, we see 611 vessels registered in another country reported, almost triple the reports for Australian vessels. Why are we risking our fisheries, our coastal environment and our Great Barrier Reef?

One of the big issues with these foreign-flagged vessels coming in to do our coastal trade is that they might only be here once or twice. There is no incentive for the operators to comply with the local legislation, even if they know that in theory they have to comply with that legislation. If they do not, so what? They are not going to be back for another year or so. The operators of our Australian domestic ships know that they have to keep the standards up, because they know that the whole business depends upon it.

So the Greens will not be supporting this bill. This government, as we know, wants to rip our nation’s workplace standards to shreds. This bill is not going to live up to its promise to strengthen Australia’s coastal shipping industry. It will provide little economic benefit, it will see the demise of the remaining Australian coastal trading ships and it will mean local jobs are lost. The shipping industry is not something that we should just let flounder. There is opportunity for growth in Australian shipping, but the government and all sectors of the industry are going to have to work together to realise this potential.

Last night I attended the dinner being put on by the Maritime Industry Australia Limited. We heard from the Norwegian ambassador, who was telling us about the maritime industry in Norway and what the growth of the maritime industry in Norway is based upon. It was very interesting to hear from Norway because they, like Australia, are a high-wage country. But they have a shipping industry which is growing and in fact provides 38 per cent of the export income of the whole country. Thirty-eight per cent of Norway’s export income comes from their maritime sector. The success, the strength, of their maritime sector is based upon having government and the industry working together. It is based on innovation. It is based on willingness for the industry to take risks, and it is about the whole sector supporting itself, with government support, and government taking a role to work out what needs to happen in order to grow the industry. They have maritime clusters that bring whole different sectors of the industry together to support each other.

These are the sorts of directions where we should be heading, but it is not going to happen unless we have a government that is actually committed to seeing what the growth in the shipping industry is going to be, rather than this presumption—which this bill has—that, no, the Australian shipping industry is just going to disappear. Fundamentally, that growth, the potential, of the shipping industry needs to be based upon presuming that, yes, we are going to have ongoing high wages, and they are compatible with the growth in the industry. Any seafarer, whether they are on a foreign registered ship operating under licence in the Australian coastal trade or working on an Australian ship, has to be subject to Australian industrial relations laws. We have to maintain our workplace standards and ensure a level playing field for shipping operators.

Last night at the dinner and at the shipping summit that was organised by the ACTU recently, the overwhelming message from the industry was the need for certainty. They will not get that certainty if this legislation is passed. It is inevitable that, if we pass this legislation, a change of government will mean we will be back to the drawing board. We will be lurching from one set of legislation to another, completely undermining that certainty which is needed to underpin growth and development in the industry.
At the dinner last night, I spoke to a whole range of different representatives from companies that are working in this sector, ranging from Rio Tinto to other container operators. The thing that they said to me, the overwhelming message, just like the overwhelming message from the ACTU’s shipping summit, was, ‘We need certainty.’ They need to know that they can invest with certainty and that the conditions are not going to change, the legislation is not going to change, from government to government.

I really want to thank those who made submissions to the inquiry into this bill and to the broader conversation. Those voices, like Maritime Industry Australia, the Maritime Union of Australia, the Australian Institute of Marine and Power Engineers and many others, have had critical input to the inquiry and to the debate more broadly. I know from talking to them that most of those stakeholders do not want to see this legislation passed, because they know that it is not going to be in the interest of growth, bringing them together and working out and having a consistent, ongoing, lasting framework to develop the industry.

What the Greens are calling upon the government to do—and I think, if we reject this legislation today, the opportunity is then there to go back to the drawing board and say, ‘Okay, where do we go from here?’—is to bring all sectors of the industry together to determine, as much as possible, a consensus way forward for the industry that is going to stand the test of time. The Maritime Union of Australia have put forward some suggestions. They know that there are changes that need to be made to the current legislation. They put forward some suggestions of key areas that they would like to see changed to streamline the administration of the licensing provisions; to clarify the object of the act to remove ambiguity and specify that the primary object is to promote Australian participation in coastal shipping; to provide for differential licence application and grant requirements, removing the one-size-fits-all approach—and that recommendation is also consistent with the majority report of the Senate inquiry into the bill—and to streamline the contestability provisions.

The MUA have suggestions. The industry across the board and different stakeholders have different suggestions. We have to have a situation where we can bring people together to work collaboratively to develop the legislative framework and the platform so that we can have that certainty. We have to have a situation where we know that elements of the industry can invest with certainty so that we can be moving forward and have a maritime industry that is based on growth and innovation and is going to take us forward—so that we really can be maximising the potential and the opportunities of the Australian shipping industry.

Senator McKIM (Tasmania) (12:27): Let us make no mistake about what the Shipping Legislation Amendment Bill 2015 seeks to do. It seeks to set up, in effect, a parallel industrial relations system in this country whereby maritime workers are treated in one way—a terrible way, I might add—and people who work on land, even people who work on land in the transport and logistics sector in our land based supply chains, are treated far, far better and far, far more fairly and are afforded far greater protections in terms of their workplace safety than maritime workers would be should this legislation pass. This is, in effect, maritime Work Choices, but it is even worse than that because, of course, should this legislation pass, shipping workers in this country, who will overwhelmingly be working on foreign flagged vessels and who inevitably will be foreign workers, will have to put up with even worse work conditions than the draconian Work Choices legislation delivered for Australian workers.
Historically, conservative coalition parties in this country have a long and terrible history when it comes to the way they value and the way they treat shipping workers in Australia. And the coastal shipping changes contained in this legislation are another chapter in that terrible book. Remember, this started as an Abbott government policy and it is now being continued—as so much is currently being continued—as a Turnbull government policy. It will oversee the decimation of employment for Australians in the Australian shipping industry. It will cost significantly in terms of Australian jobs and it will cost significantly in terms of the working conditions of workers who are left in the Australian maritime industry sectors. Of course, it will also significantly increase environmental risks for our beautiful coastal waters and coastlines.

Effectively, the government is brazenly trying to sack just about the entire current Australian maritime workforce and replace them with cheaper workers sourced from other countries no doubt, with resultant environmental and occupational health impacts that will flow from these changes. It is like a large-scale version of the Patrick stevedores’ dispute in 1998—and who can forget those difficult and terrible days—except instead of guards, barbed wire and German shepherd dogs we have legislation and weasel words from this government.

The net result of this legislation, according to MUA modelling, will be the loss of more than 1,000 jobs across Australia. In speaking as a senator for Tasmania, it is worth pointing out that over 200 of those jobs will be lost from my home state of Tasmania. In fact, the MUA estimates that in the Tasmanian context the only Australian shipping jobs that will remain will be those working on the Spirit of Tasmania, which is less than 90 people. So we will, as has been so eloquently pointed out by our spokesperson on this issue, Senator Rice, be very strongly voting against this legislation. As I alluded to earlier, if we go ahead with these proposed changes there will inevitably be a drop in working conditions, and we have heard story after story in this country of the exploitation of foreign workers on foreign flagged vessels that have worked in Australian waters. They are terrible stories of exploitation and they should have no part in the narrative of our great country.

Not only will there inevitably be a drop in working conditions; there will also be a drop in environmental standards, and our coastline is one of our greatest national assets. We have iconic areas right around our beautiful continent, including global icons like the Great Barrier Reef, and we should value these because they are our competitive advantages as a country. These are the assets that our country has that can deliver jobs and prosperity into the future for Australians. We recently saw the appalling way that 36 Tasmanian workers were treated on the Alexander Spirit, and this legislation is an attempt by this Commonwealth government to make such job cuts commonplace.

I would like to turn my attention to some specific local issues in Tasmania. Recently, a company called DP World Australia promised to build an expanded port facility at the Port of Burnie but only if these laws are passed. I want to say very clearly to the Senate today that Tasmanians here have been presented by DP World Australia and the Commonwealth government with a false choice. We do not have to choose in Tasmania between lower freight costs and Australian and Tasmanian shipping jobs. That is a false choice. The Australian Greens acknowledge the challenges faced by exporters in Tasmania. Put simply, it is too expensive to get freight across Bass Strait. But remember, we are a federation here in Australia and, if we are serious about the federal model, all states should get a fair crack
assessed on the basis of genuine need at funding pies like, for example, the National Highway funding. I want to put very clearly on the table my support for Bass Strait to be made part of the National Highway and for National Highway funding to be allocated on the basis of genuine need. The problem is that successive Commonwealth governments see National Highway funding as one of the biggest opportunities to pork-barrel that exists in the Commonwealth budget, and we need to see far more rigor and far more transparency applied in National Highway funding, and it should be assessed on the basis of genuine need. Bass Strait should be made part of the National Highway, and, if we did those two things, a number of the very significant freight challenges facing Tasmanian exporters would be addressed. So it is a false choice for Tasmanians to be told they have to either lower standards on Australian shipping or put up with high freight costs and potentially not get an expansion to the Burnie port.

Australia has a skilled, hardworking maritime workforce, and they should not be cast aside because of an ideological attack on them, and that is what this bill is in part: an ideologically based attack on our maritime workforce all because the Turnbull government believes these workers are paid too much. That, fundamentally, is the other driver of this legislation. The government believes that our maritime workers are paid too much, and they have acknowledged that, if this legislation passes, there will be a significant reduction in pay for people working on Australian shipping routes. So we will not support these changes that sell out the rights and futures of Australian workers. We will not support this legislation, which will place at risk our fisheries and our coastal environment, including global icons like the Great Barrier Reef, simply so that companies who are already making a reasonable profit can make a bit more. We believe in a well-trained and reasonably paid shipping workforce, and we believe that such a workforce can be at the centre of Tasmania's and Australia's prosperity in the coming years.

We have spoken at length about the fact that Tasmania's competitive advantages—and our state has many competitive advantages—create a framework for high-value export industries like, for example, viticulture, aquaculture, cut flowers, honey, small fruits, boutique beer and cider, produce from broadacre farming and a range of other high-quality, world-class products and services that we create and produce in Tasmania. We realise that they need an acceptable way to export into national and international markets, and we want to work constructively with anyone in this place or the other place who will work with us to bring about equity in terms of national highway funding and having Bass Strait included as part of the national highway. But all of those industry sectors that I mentioned are contingent on safe, reliable and sustainable shipping. They need safe, reliable and sustainable shipping to bring their products to the rest of the country and the rest of the world, and we will not stand by and go down without a fight as this government tries to throw the hardworking people in the shipping industry onto the scrap heap.

Senator ABETZ (Tasmania) (12:38): Shipping is the economic lifeblood of any island population, and so it is with our island nation continent, Australia. If it is the economic lifeblood for our island nation continent, it is even more so for our island state, the jewel in the crown—namely, my home state of Tasmania.

Australia has a large landmass with its population hubs and centres of production strewn across the 7.692 million square kilometres that make up Australia. As our national anthem
reminds us, our land is girt by sea. The mainland enjoys a coastline of 35,876 kilometres. On
top of that there is another 23,859 kilometres of island coastlines. We have 758 estuaries. So
it will not surprise that Australia has a deep and rich maritime history. Put simply, we are
reliant on shipping. Indeed, we export two-thirds of our production.

My home state of Tasmania and our nation, Australia, require, need and are entitled to an
effective shipping service. Despite this national imperative, our waterfront and shipping
services have been held to ransom from time to time and far too often. Dr Hal Colebatch’s
excellent work, The Secret War, exposed the sabotage and treacherous activities of certain
elements during World War II—something for which the Maritime Union of Australia still
needs to apologise. That aside, it seems that today’s elements are not jeopardising our national
sovereignty and integrity in the face of threatened invasion, but they are prejudicing our jobs
and economic wellbeing in the face of international competition as we grapple with the
imperative of job creation, especially for our young Australians. We need the very best
shipping service we can get. To opt for anything less, to be satisfied with second-best or even
the world’s worst shipping service is to do a great disservice to our workers, our farmers, our
producers, our manufacturers and, indeed, every single Australian consumer, because we all
pay the price.

The Liberal-National coalition aspires to provide the very best for our nation in all our
public policy endeavours that we have introduced. As a result, we have introduced and are
now debating the Shipping Legislation Amendment Bill 2015. This bill is designed to make
the goods we buy cheaper and the goods we export more saleable; in other words, it is
designed to lower our cost of living and create even more jobs. Every extra dollar charged for
shipping compromises Australian jobs and our cost of living.

Until the changes championed by Mr Shorten’s Labor Party and the Greens, we had a
somewhat acceptable regulatory framework for our shipping services. But as was and remains
the Labor-Greens wont, they had to fix it. And fix it they did, their policy inspiration coming
direct from the ugly and extreme Maritime Union of Australia. The Labor-Greens changes
were at best recklessly foolhardy but predictably disastrous. Having seen the predictable
consequences of these reckless changes, one may have been excused for thinking that Labor
and the Greens would quietly allow our rectifying legislation through the parliament and not
draw attention to their policy failure. But no, they are incapable of acknowledging the glaring
and obvious policy failure because they rely on the Maritime Union of Australia for numbers
at meetings of Labor Party conferences, for their endorsement and for funding for their
campaigns. So what did Labor’s changes to the coastal trading licensing system inflict upon
us?

For starters, Labor’s current trading licensing system resulted in—as just one example from
my home state of Tasmania—a substantial increase in the freight rates experienced by Bell
Bay Aluminium. It recorded a 63 per cent increase in freight costs in one year—a cost of
approximately $4 million per annum. And Bell Bay Aluminium provides the jobs, the
household income, for 435 of my fellow Tasmanians. In the past, the Labor Party used to
champion the blue-collar workers whose livelihood we on this side are trying to champion
and support. Indeed, the Australian Greens, allegedly concerned about the environment,
would know that the process of making aluminium is highly energy dependent. In Tasmania
we make that with clean hydro.
Debate interrupted.

**STATEMENTS BY SENATORS**

**The ACTING DEPUTY PRESIDENT (Senator Seselja)** (12:45): Order! It being 12.45 pm, the Senate will now move to senators' statements.

**Western Australia: Bushfires**

**Senator BACK** (Western Australia) (12:44): I thank the Senate for the opportunity to speak on the Esperance fires, which will be the subject of a motion this afternoon by all of Western Australia's senators. I seek the indulgence of the chamber to wear what was part of my uniform as chief executive of the Bush Fires Board of Western Australia simply to recognise the contribution of firefighters throughout Australia, particularly volunteers, and those who support them.

This horrific fire, the worst for 50 years in Western Australia, began on 15 November as a result of lightning strike in crown land around the area of Cascade and Scaddan to the north of Esperance. Over the last few days there have been three major fires: the Cascade-Scaddan fire of some 137,000 hectares, the Merivale fire to the east of Esperance of some 18,000 hectares and, further to the east, the Cape Arid National Park, which was the subject again of lightning strike and fire of some 160,000 hectares—totalling in excess of 300,000 hectares burnt. To put that into context, it exceeds the entire area of the ACT, but it is only about six per cent of the entire area of the Esperance shire.

I want to record my condolence on the death of four people in the Cascade-Scaddan fire. Firstly, Mr Kym Curnow, better known in his local community as Freddie. I offer my condolences to his widow, Roseanne, and to his children, Tom, Riley and Emma. Curnow died rushing around in his local community from farm to farm trying to warn people of the fire that was approaching and trying to stop people in vehicles and turn them around. That was the mark of the man. He was a leader in his community, much loved, the life of parties and, of course, he will be sorely missed. He was, needless to say, a volunteer Bush Fire Brigade officer.

The others who lost their lives were three Europeans working on a neighbouring farm: Julia Kohrs-Lichte from Germany, Anna Winther from Norway and Tom Butcher from the UK. They died in their efforts to get away from the fire—in fact, with a horse on board in a float. Tragically, they turned into the face of the fire rather than away from it. They also lost their lives, and I offer my condolences.

In addition to the area of land burnt, some 75,000 hectares of cropland was destroyed. I flew over the fire myself last Friday. Perversely, it was probably one of the best cropping years in the Esperance region for many years, so there would be significant losses not only from the fires but from the effect of wind afterwards.

Let me give you some understanding of the fire front itself and the speed with which it was moving. Other fires around Perth on the weekend were moving at 1,500 metres an hour—1.5 kilometres an hour. The Esperance fires at one stage were estimated to be moving at 23 kilometres an hour, so you can understand the devastation.

Lack of capacity for mobile phone communications, unfortunately, was a very significant factor. It is perverse and tragic, because in that area of Esperance the largest single number of
towers to cover black spots has in fact been approved, but they are obviously not yet in position. Of course, in September of this year, a communications satellite was launched, and when commissioned it will provide voice-over activity for telephone communications. So that is an area that we know we have to deal with. It is so tragic. As one lady from the Scaddan area said to me on Friday, 'I haven't spoken to my husband or my sons for the last four days. They're out fighting the fires. I don't know where they are and they can't communicate with us.'

In the more remote areas of Australia that community of people have the equal right as those of us in the urban and outer urban areas to good mobile communications, not just in the event of emergencies but, of course, for their normal business and their normal social life and their normal activity. I can assure that community that, with the member for O'Connor, Mr Rick Wilson, and others, we will certainly be addressing those issues. Some 4½ thousand livestock were killed in the fires, so the loss to that community of people and assets will be many years in the recovery phase.

I want to speak of the value of the volunteer brigade members, and I also want to speak to the communication with the Department of Fire and Emergency Services personnel in Esperance. I had the opportunity on Friday to attend the meeting convened by the incident controller. With my hat from the CEO of the Bush Fires Board days, I want to impress on everybody as we go into this fire season that the respect for and the communication between volunteers and paid personnel must be of the highest level. As Len Foster from the Country Fire Authority said to me when I first started as CEO of the Bush Fires Board, 'Chris, never mistake volunteerism for amateurism. Volunteers, properly trained and resourced, are the equal when it comes to their work on fire grounds.' Of course, as we saw in the Esperance fires, we needed the local expertise and the commitment of those many brigade members who, knowing one of their own close friends had died, continued fighting those fires.

I want to record again my appreciation for the management of the Department of Fire and Emergency Services for the mature way in which all services dealt with what was an horrific but ongoing situation. I was there on Friday, but on Saturday and Sunday, with the easterly and the northerly winds, we continued to see those problems emerging. It is critical that we have that level of respect for and the ability to recognise the different roles played by the different personnel.

Access to crown land was another issue. There were questions as to whether personnel were able to go into crown land reserves after the lightning strike had started the fires. I spoke with Minister Hunt yesterday and got his confirmation that there is never a circumstance in which volunteer brigade members could not go into crown land owned by the Commonwealth to suppress, fight and mitigate major fires if life and property are at risk. I have not spoken in the last few days to the state Minister for Environment, but I recall the days in which I administered the Bush Fires Act in Western Australia, and I say again in this place: there should never be an instance in which a well-meaning, properly trained and qualified volunteer cannot go into land owned by others—be it military, be it Commonwealth, be it state—to suppress bushfires that place other properties at risk. I give the undertaking that, whilst I am here in this place, I will never allow a circumstance where such a person can be the subject of successful litigation.
I want to speak briefly about the community response which I observed in a public community meeting in Esperance on Friday. We all know we have a scenario where we go from shock to grief to anger. That was being expressed, and so it should be, but at the same time my plea would be that we always allow every agency the opportunity to speak and to be heard, that we allow everybody in the community to be heard and that we learn the lessons that come from them. Of those involved in the particular incident, apart from the paid officers and the volunteer fire officers, I want to record the excellence of the work undertaken by groups like the State Emergency Service, the Red Cross, counselling services, Horizon Power, which has responsibility for the provision of power in that region, and Telstra. The work undertaken by all of those groups under horrific conditions must be recognised and applauded.

Esperance is a relatively remote area of Western Australia. It is an area that is self-sufficient. It is an area that has always relied upon itself. That community is going to need to dig very, very deep over the next months and years. Already, throughout Western Australia, farmers are donating grain, feed and seed stock for next year. My final words are directed towards the Chief Bushfire Control Officer, Mr Tom Brown, and his wife, Victoria, who, for her sins, was elected the shire president of Esperance only in the last four weeks. The work undertaken by those two people for their wider community has been professional, sympathetic, courteous and at all times has had the wellbeing of their community in mind. I congratulate them and I express my condolence. (Time expired)

Senator McEwen: Mr Acting Deputy President, without in any way wishing to diminish Senator Back's contribution there about the Western Australian bushfires, I raise a point of order that you could perhaps contemplate or refer to the President. Yesterday the President issued a statement to all senators, a procedural note about the use of props or other such items during debate and the appropriateness or otherwise of that. I would ask that you refer the matter to the President for his consideration in light of that procedural note.

Senator Ronaldson: Mr Acting Deputy President, on the point of order: I understand what Senator McEwen is saying, but I think there have got to be occasions where it is appropriate for someone to do as Senator Back has done. It is not a political prop. It is not a photo. These were devastating bushfires. There was tragic loss of life. The Esperance community has been decimated by what occurred. I would just urge a word of caution. I would not view what Senator Back has done as being the sort of thing that would elicit a political or other response.

The ACTING DEPUTY PRESIDENT (Senator Seselja): Senator McEwen, in relation to your point of order, I am very happy to refer it to the President. I will simply put to you that I saw the prop, or the jacket; Senator Back sought the indulgence of the chamber, and I saw nods from those across—and I did look across to Labor senators to see whether there was any objection. There was no formal objection. With indulgence, these things, in my judgement, can happen, but I am very happy to seek advice from the President to see whether that ruling is in fact correct.

Workplace Relations

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (12:58): I rise today to spend a few minutes to talk about the important issue of penalty rates. Why do I need to do this? Because, while those opposite may have changed prime ministers, they are still opposed
to ensuring that workers get fair pay for working unsociable hours. Prime Minister Malcolm Turnbull is as determined as ever to slash penalty rates, under the guise of a 'seven-day economy'. We need to remember that this is the same Malcolm Turnbull who supported the ever-dreaded Work Choices.

I have spoken previously in this place about the importance of penalty rates. Penalty rates are increased rates of pay for working excessive or unsociable hours, such as on the weekend. Life is busy, and weekends are important for Australian workers. Penalty rates compensate people for the time they miss out on with their families when they have to work on the weekend or antisocial hours. There are up to 4.5 million workers in Australia who rely on penalty rates—workers like police officers, retail workers, firefighters, paramedics, nurses, hospitality workers, workers in manufacturing, workers in tourism and many others. Penalty rates are essential for low-paid workers—to ensure they can meet their electricity bills, grocery bills and other essentials. There are up to 4.5 million workers in Australia who rely on penalty rates— workers like police officers, retail workers, firefighters, paramedics, nurses, hospitality workers, workers in manufacturing, workers in tourism and many others. Penalty rates are essential for low-paid workers—to ensure they can meet their electricity bills, grocery bills and other essentials. I have to say, for all the Liberal rhetoric, we have not heard any evidence to support their claim that cutting penalty rates would lead to more employment. I have never heard anything from them regarding any credible research; I have only heard their own bias.

So strongly held is the Liberals' view against penalty rates that the former Treasurer, Joe Hockey's, last contribution to the parliament was to say penalty rates are unsustainable not because cutting them would lead to better employment outcomes; simply that they are 'profit murder', and I think that says it all.

Rather than a race to the bottom on wages, Labor believes the government should focus on jobs and economic growth through investing in skills and training, infrastructure, innovation and entrepreneurship. This government is deliberately placing enormous pressure on the Fair Work Commission to find against the interests of hardworking employees.

Australia is facing the lowest wage growth in 25 years, yet, from the second week of his prime ministership, Malcolm Turnbull and his newly appointed ministers have been talking about cutting the income of low-paid workers. On this side, we believe it is the role of the independent workplace umpire, the Fair Work Commission, to determine what penalty rates should apply based on evidence from employers and workers. We also believe that the commission should be free from the heavy-handed intervention by the Prime Minister.

There is no credible research which proves their assertion that cutting penalty rates would lead to additional jobs. John Hart, CEO Restaurant & Catering Australia, is on the record saying that, if penalty rates were cut, they would expect workers to work longer for the same pay. He said:

The other aspect of the penalty rate reform case would be 60,000 additional hours created on each Sunday/Public Holiday during which the reform applied. This, in fact, means that most staff working on an hourly rate on these days would work at least one extra hour. If this was to be the case, staff would not take home any less pay—just work additional hours.

Cutting penalty rates will just ensure that the lowest-paid workers will work more hours for the same amount of money.

The government is as determined as ever to slash penalty rates under the guise, as I said, of a seven-day economy. The idea that we now work in a 24/7 economy and therefore penalty rates are irrelevant is just not borne out by evidence. Look at the big banks, the stock market, financial institutions, courts and of course this place: we are not open on weekends. Imagine
the outcry if government members were told that they had to work on weekends for no extra money in this chamber—be away from their families, not in their home base. I can imagine what would happen.

The fact is the vast majority of people work Monday to Friday. Recently, research compiled by the McKell Institute, on behalf of the Shop assistants union—the SDA—and United Voice, revealed the effects of the partial or complete abolition of penalty rates on workers. The research found that cutting penalty rates would harm business as the disposable income of workers would significantly decrease. It is estimated that abolishing penalty rates in the retail and hospitality area would cost workers in rural Australia between $370.7 million and $691.5 million annually. Rural communities would also lose between $174.6 million and $343.5 million in disposable income each year.

In Tasmania, my home state, the study estimates that a partial abolition of penalty rates in the retail and hospitality sectors would result in workers in Tasmania losing between $31.5 million and $58.7 million a year; and a loss in disposable income of between $15 million and $29.4 million a year to local economies in Tasmania—and that is just a partial abolition. A full abolition of penalty rates in the retail and hospitality sectors would result in workers in Tasmania losing between $78.9 million and $131.6 million a year; and a loss in disposable income of between $38.2 million and $64.1 million a year to local economies in Tasmania.

In southern Tasmania, in particular, workers in the electorates of Franklin and Denison are set to lose between $12.6 million and $23.5 million a year, if a partial abolition of penalty rates were to proceed. So, as you can see, the effects of changes to penalty rates will have a significant impact. I would like to thank both the SDA and United Voice, who I know do great work representing the members of their unions.

I have to ask myself as a Tasmanian senator—and there are a couple of others in the chamber—what would the impact on the Tasmanian economy be, if there was $131.6 million dollars less in Tasmanian workers' pockets to spend in their community? Let me tell you: it would be an utter disaster.

Labor understands the concerns of small business, but a survey for the restaurant and catering industry found that 90 per cent of the businesses surveyed opened on a Sunday and, of those, more than half did so because they made a profit. I know that there are a large number of Tasmanian businesses that have come out in favour of penalty rates—Earthy Eats and Aromas Cafe, both in Launceston; Ginger Brown cafe, Shamrock Hotel, Kornet salt sugar coffee and the Brunswick Hotel, all in Hobart, support penalty rates for their workers, and I thank them for their support.

While the government is hiding behind the Productivity Commission to hide their plans to cut penalty rates, Labor is actually talking to the people that will be affected. We formed the Fair Work Taskforce so we could give people—particularly workers—an opportunity to talk about how the Abbott, and now Turnbull, government's attacks on jobs, wages and conditions will affect them. I was really pleased to be asked by the shadow minister to be part of that task force. It has also been an opportunity for a conversation about what the government could be doing to create the high-skill jobs of the future, by investing in skills and training, infrastructure, innovation and entrepreneurship.
Over the two days of hearings in Tasmania, the Fair Work Taskforce heard from workers in aged and disability care, retail and manufacturing about the importance of penalty rates to them and their families; university academics about the impact of casualisation on their job security; and a whole range of people with concerns about what was happening in the industrial relations area.

On the subject of penalty rates, we heard from workers across a variety of industries. For most of these workers, the penalty rates component comprised about 25 per cent of their pay, but they relied on that extra pay to help them get by. The retail workers, for example, spoke to us about how their penalty rates gave them enough pay to afford luxuries for their families. The luxuries that they were referring to were not a holiday, a house extension or a big flashy car; they were actually talking about weekend sport for the kids or being able to go to the movies. One worker actually said to us that going to McDonalds for dinner from time to time was a luxury for her family—and this government wants to take that away. Another worker said she struggled to get by so much that she once had to borrow money from her 11-year-old daughter to pay her family's internet bill.

In addition to the financial consequences of cutting penalty rates, we heard from those in the aged and disability care sector that cutting penalty rates would make it extremely difficult for them to attract skilled workers, particularly those who would cover night shifts and weekends—and we need these people. (Time expired)

**Minus18: Gender Diversity**

**Senator SIMMS** (South Australia) (13:08): This afternoon I rise to speak about an event I recently attended in my home state of South Australia, hosted by an organisation doing good work across our country, the Minus18's same-sex and gender diverse formal. I attended this event in Adelaide on 13 November. This was the first time that a same-sex and gender diverse formal had been hosted in Adelaide, and it was attended by 120 lesbian, gay, bisexual and transgender young people. Members of this place may be aware that similar events have been hosted in Victoria, but this was a first for South Australia. I do hope that it is the first of many such events in SA in the future.

I was very inspired by this event. It was a powerful thing to see so many young people out and proud and comfortable in their own skin celebrating diversity at a really important social ritual like a formal. School formals are all too often the source of anxiety for the LGBTI young people. We still hear of schools preventing students from being able to bring same-sex partners to formals. We still hear of students being in fear of bringing a partner of the same-sex to a school formal because they are in fear of the homophobia and bullying they will experience. So this formal was an opportunity to do things differently and an opportunity for LGBTI young people to come together in a safe and inclusive environment—and that is a wonderful thing. I do remember my own school formal. Of course, a lot has changed since then—although, alas, unfortunately I still cannot dance to save my life—but I do wish that something like that was in place when I was at school, because it was certainly a tremendous event.

Minus18 is Australia's largest youth-led organisation for gay, lesbian, bisexual and transgender youth. It provides a range of important support and assistance to young LGBTI people. This includes mental health support and peer mentoring to thousands of people across the country; regular social events; dance events; online support, which connects than 5,000
same-sex attracted and gender diverse young people; and then of course the formal that I mentioned earlier. This is an organisation that is run by youth volunteers and receives some funding from the City of Melbourne, the Victorian government's Office for Youth and the Victorian Department of Health and Human Services. It is a truly great initiative run by young people for young people.

The event in Adelaide I had the privilege of speaking at was organised in collaboration with the Safe Schools Coalition. This coalition is comprised of schools that have access to resources and support aimed at improving the safety and inclusivity for LGBTI young people at school. It also has a component on combatting homophobia and transphobia. There are almost 470 member schools in this country. More than 13,000 staff have been involved in this and almost 330,000 students in the member schools. So this coalition is having a wide reach. This is very important work. I have remarked before that homophobia and transphobia still persist in this country, and these things still create a lot of harm. One way to combat that is by addressing this in our schools.

I read a really beautiful article on BuzzFeed by Lane Saintly, who talks to Margot, who is a nominee for the 2016 Young Australian of the Year award and works with Minus18, and I will quote from that article. Margot says:

For me growing up, I had no one I could look to. That sucked because I was like, OK I can be open with who I am and what I am, but I probably won't be successful in my career, I'll probably lose a bunch of friends, my family might reject me. In hindsight those weren't correct assumptions. But because there was no one I could relate to, that's the only thing I could believe. Being able to break that down for other people is huge.

I think Margot's words would resonate with many gay, lesbian and transgender people. Indeed, research done here in Australia, Writing themselves in 3, found that 75 per cent of the 3,000 same-sex attracted young people who were surveyed had experienced some form of homophobia, bullying or abuse—75 per cent. So this is a big problem for our country.

Given the value of the work of Minus18 and the Safe Schools Coalition you can imagine my horror when I saw that the Australian Christian Lobby has been advocating for the Safe Schools Coalition to be axed—because, apparently, it is damaging to students; and apparently it 'teaches kids gay and lesbian techniques'. That is a quote from the ACL in the Sydney Morning Herald. I am reluctant to give these absurd views anymore airtime, but I do believe that sunlight is the best disinfectant. I do believe that the ACL should be held to account for the homophobia they fan within our community and they should be held to account for the brazen lies they tell and the misinformation that they spread.

Despite their name, we of course know that the ACL do not represent Christians in this country. Indeed, a vast majority of Australian Christians reject their world view. So this group are completely unrepresentative. They are simply an extreme fringe group that promotes a world view that is as dangerous and divisive. I guess I should not be surprised that the ACL have taken aim at an organisation that seeks to combat bullying, given the ACL promote sexism, homophobia and transphobia—the very currency of bullies. That is their stock-in-trade. That is the business model of the ACL.

Let me address this suggestion that the Safe Schools Coalition somehow promotes homosexuality. I am really intrigued by this idea that simply by talking about being gay, or talking about difference, you are going to convert people, as if it is something that you can
I have spent my whole life being exposed to heterosexuality. Indeed, we live in a heteronormative society. In fact, it seems you cannot turn on the TV or read a magazine without being exposed to images of rampant heterosexuality! Everywhere I look I see straight couples holding hands and straight couples getting married. I was walking through the streets of Adelaide the other day and I saw a straight couple kissing in broad daylight—kissing on the side of the street! They are on a recruitment drive, you know. I think they want to sign me up. They have not had any luck yet.

What an absolute nonsense this is, but this is the kind of ridiculous logic that underpins the ACL’s criticism here, and this is the kind of contribution they make to the national discourse. Next they might come out with something that says that gay marriage is as damaging as smoking. Oh, wait a minute! They have made that claim. That is a comment they made back in 2012. It was a ridiculous, offensive contribution to the national debate. It is brazen lies and homophobia. The contribution that the ACL make to the national debate is homophobia and transphobia.

In a world that is rocked by poverty and injustice one might ask why the ACL refuse to use their resources to campaign and work on something that is actually meaningful, something that might actually make a positive contribution: war, poverty, famine, climate change and social inequality. There is so much injustice in this world. If the ACL want to take on moral decay, maybe they should start there. Maybe they should look at those moral challenges rather than obsessing over the gay, lesbian and transgender community in this country.

The really reckless and divisive comments of the ACL, the reckless and divisive homophobia, the brazen lies and misinformation they spread is a complete and important reminder of the reason why the work of the Safe Schools Coalition is so important. It is a reminder of the reason why the work of Minus18 is so important. As long as there is prejudice and discrimination in this world we need good people to come together to try to bring about positive change.

I commend the volunteers of Minus18 and the Safe Schools Coalition for doing this really important work. I am tremendously proud of the young people who are doing this good work. I have no doubt that they are changing lives for the better in this country and making our country a more safe and inclusive place, and that is certainly a great thing.

Northern Australia

Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (13:17): A very well-humoured presentation by Senator Simms. Some of the issues contained in his contribution are very important and significant and deserve constant attention by this place.

I rise today to address what is a key economic issue for Northern Australia, especially for Indigenous communities in my home state of Western Australia. During some of my recent visits to communities in the Kimberley and other parts of Western Australia, I have encountered a great deal of enthusiasm and a plethora of ideas about how we can make our North better. I think this is built on a genuine sense that, at long last, we are moving from the phase where we talked about the potential of Northern Australia—and that has gone on for many decades—to an era in which some practical steps are being taken, especially with regard to on infrastructure development.
This coalition government has made infrastructure development in Northern Australia a key priority, as evidenced in this year's budget, which established the Northern Australia Infrastructure Facility to help construct the ports, power plants, dams and the like which are needed to drive development. But we also understand that government cannot do everything. We will need to drive investment from the private sector and establish a legal and regulatory framework that will help communities to chart their own destinies.

Development of the North will require that governments at all levels create an investment environment that will attract the significant capital essential for new and exciting ventures across Australia's far north. That means getting the balance right between removing red tape, revisiting the balance between conservation and exploration and being more open in our attitude towards the origin of commercial investment in our agricultural industries. As prominent investment banker David Williams has noted, new investment sources will:

… breathe new life into assets that have been under-utilised for a long time; they're going to create enormous employment; and they're going to enhance our culture by being here.

Another critical challenge will require the courage from government to address the longstanding issue of land tenure reform. For decades, land tenure has been absent from policy discussion, but now there is reason for new hope. Recent initiatives, including the coalition government's *White paper on developing Northern Australia* and the WA state government's Water for Food initiative, have canvassed the issue of land tenure reform and are providing the basis for fresh policy approaches that establish a more investor friendly form of tenure.

These initiatives are also seeing land tenure reform become the primary focus for many native title representative bodies who are taking greater control of the land tenure process as it applies to their own determination areas, strengthening communities throughout the Kimberley and creating sustainable jobs and training opportunities for Aboriginal workers now and into the future. The flagship Mowanjum irrigation trial near Derby—located on the Mowanjum Aboriginal Corporation's pastoral lease—is an early and very encouraging example of this. Once completed, the project will provide vocational training opportunities for Derby High School students and assist the Mowanjum to negotiate approvals for a more flexible form of tenure that will attract third-party investment. The signing of an Aboriginal development package agreement between the traditional owners in the Kimberley Ord irrigation scheme and Ord River developer Kimberley Agricultural Investment, or KAI, has now led to the Miriuwung Gajerrong corporation calling on the WA state government to offer freehold land at the 6,000-hectare Knox Plain site, saying its viability is uncertain due to land tenure issues in the agricultural zone. The Fitzroy Valley investigation project will, for the first time, confirm the groundwater capability of the Fitzroy Valley and increase confidence amongst pastoral station owners wanting to diversify their operations from traditional grazing practices mandated under legislation. The Knowsley Agricultural Area water investigation will define sustainable water supply options for future cropping programs outside of Derby, creating a new industry out of traditional grazing country for local communities.

Of course, we cannot ignore that aspirations for greater control over land tenure are tempered by concerns about potential for extinguishment of native title and the costs associated with native title reform.
Navigating Western Australia's land tenure system is expensive and the costs associated with land tenure reform could prove prohibitive for many communities. This system is a legacy of past government policies which were focused on the 'protection' of Aboriginal people underpinned by concepts of communal management. It is a legacy which has allowed infrastructure on many remote communities to fall well below acceptable community standards. It is a legacy which has caused poor alignment between the present and future interests of Aboriginal communities, native title holders and governments.

After 22 years of operation, the existing native title framework remains complex and time consuming, best evidenced by the still significant backlog of unresolved claims acting as a handbrake on future economic prosperity. As Aboriginal and Torres Strait Islander Social Justice Commissioner Mick Gooda himself noted, native title is 'only the starting point'. Our native title regime must place greater emphasis on unleashing economic opportunity for Indigenous communities, especially for young Indigenous people. In its current form, it is failing future generations of Indigenous people. Australia requires a streamlined approach to processing native title claims, with greater use of consent resolutions and a willingness to embrace less technical and legalistic approaches.

In an uncertain economic world, Australia's prosperity depends on its ability to innovate and diversify. With native title determinations being finalised across Western Australia, now is the time to progress the important issue of land tenure reform. We will never have a better chance to address the inadequacies and failings of the current system. Good intentions are all very well, but without land tenure reform, the development of Northern Australia risks yet again becoming a lost opportunity.

This is not the only a challenge governments have to grapple with. Indigenous Australians living in remote parts of the nation rely on a responsible approach from those entrusted with the privilege of leadership within Indigenous communities. Given the challenges faced by many in these communities—whether those be economic, family, health or educational issues—it is imperative that those entrusted with representing Indigenous communities are firmly focussed on the day-to-day issues that are of most relevant to them, to their families and to the people they represent. Which is why I was both surprised and disappointed to read an item on the ABC News website late last night. The story was headlined 'WA group represents Indigenous Australia at United Nations climate change conference'. The story explains that a delegation of five from the Kimberley Land Council will be heading to Paris, led by the council's chairman, Mr Anthony Watson, who is also the Australian delegate to the Indigenous People's Forum on Climate Change. In the article, Mr. Watson says this: I'll be with the Pacific Islanders. They have a lot of concerns about their islands going underwater and they'll be raising their concerns and I'll be supporting them in whatever way I can.

We're hoping to see what other projects the rest of the world are doing. We want to learn more. We have projects that we do in the Kimberley with our emissions reduction system with our fire projects. Now, we would all accept that environmental issues have had an impact on Indigenous Australians, as they have had an impact on all of us. And I could understand Mr Watson, perhaps alone, wanting to attend, as a representative, the Indigenous People's Forum on Climate Change. But a delegation of five from the one single organisation, the Kimberley Land Council, heading all the way to Paris for a conference, at a time when many communities across WA's far north are struggling with day-to-day challenges in their family
lives, struggling for employment or struggling to overcome health challenges, is in my view excessive and would not pass a public test in WA's Kimberley.

If you want to learn more about what the rest of the world is doing, there are modern means of communications available to find out, even in some of Australia's most remote parts. That would be significantly cheaper than flying five people from the Kimberley Land Council to Paris for a week. I am not sure that many of those I have met living and working in Indigenous communities across the Kimberley region in WA would think this is the best allocation of their scarce resources, given the immediacy of some of the issues facing Indigenous communities.

This is the same organisation that sent representatives, Mr Watson included, to the United Nations in New York earlier this year, to lobby for a motion condemning the Western Australia state government. Again, it is a question of priorities. No one is questioning the Kimberley Land Council's right to represent its communities. However, at the very least, I would urge the Kimberley Land Council and similar organisations to think first and foremost of the circumstances of those they are supposed to represent, of those they are supposed to support and to consider whether similar outcomes could be achieved with a much-reduced spend on travel to the world's capitals. I suspect they could.

**Lennon, Mr Mark**

**Senator DASTYARI** (New South Wales) (13:27): I rise to acknowledge the incredible contribution of a close friend and mentor of mine who recently announced his retirement from being head of Unions New South Wales, the peak union body in my home state. Mark Lennon has been a leader and advocate and an incredibly strong secretary of that organisation for almost eight years. Since taking on the role, I have had the opportunity to work closely with Mark to facilitate, to help and to participate in the work he has done and in the campaigns he ran on the issues he raised, but my relationship with Mark goes beyond that. He is a mentor and a friend. Frankly, I would not have had the opportunities in this place and as party secretary before that were it not for the incredible loyalty and friendship Mark provided me with. People like me have had incredible opportunities and have had the ability to do things we believe in and are passionate about. As all members in this chamber know, all of us are here because there have been people in our careers who have given us our starts and have given us support. Certainly, there is no doubt that I would not be here today were it not for the friendship, loyalty and support shown by Mark Lennon to me as a young whipper snapper in the Labor Party very early on.

Mark is a man of integrity, of decency and of honesty, traits he was clearly able to pass on to me over the years! He is a person of incredible intellect. Mark has reformed the model of what it means to be a modern trade union leader in New South Wales. He has a collaborative approach built around working with people not against people. It is a vision of where the movement is and where it needs to continue to head to, and we have been very lucky as a trade union movement in New South Wales to have had him at our helm. Mark has been at the Labor Council since 1988 and has held numerous different positions in that organisation—as a training officer, industrial officer, executive officer, long-term assistant secretary and now a long-term secretary—and he is leaving Unions New South Wales in better shape than he found it in. He is also leaving quite young. I think Mark is at pains to tell
people that he is not retiring from everything, but he is certainly retiring from this role, having made the decision that it is time to pursue new challenges after almost eight years at the helm.

Mark is an incredible man who deserves all the accolades that I am sure he will be getting in the following few months. I will share one quick anecdote about him: after much pestering, in 2004 he finally convinced me that I needed to get a driver's licence. I got a P-plate and was given my first motor vehicle. Mark came to see me and handed me the keys to the car, and in 48 hours I handed the keys back to him. Unfortunately at that point there was no longer a car, as it had been completely written off. His words to me then were: 'I don't think this has turned out well for either of us.' As I told him at the time—and it remains true—it was the start of a very beautiful friendship. Mark, your contribution, the role you have played, your friendship and your loyalty have been incredible. Again, I cannot thank you enough for your incredible contribution and the support that you have shown me.

I also want to touch on an issue regarding the Transport Workers Union and a matter that has certainly been raised by the media and by others. The Safe Rates campaign that the Transport Workers Union has been running for many years now is an incredibly important campaign. The TWU has been fighting for the past 20 years for truckies to have safe rates. It is a campaign to hold the effective employers in the industry—the clients with the real economic power at the top of the supply chain—responsible for the rights, rates and conditions of the transport workers who move their freight. There is more than 20 years of evidence from coroners, academics and parliamentary inquiries linking rates of pay and truck crashes. Drivers under pressure due to low rates or impossible deadlines are more likely to skip breaks, speed, drive for longer and to drive rigs that have not been properly maintained. Truckies in this country are 15 times more likely to be killed at work than is the average Australian. Each year, around 300 people are killed in truck crashes on Australian roads and thousands more are injured.

A number of companies have been working with the Transport Workers Union—companies that recognise that having that kind of pressure placed on drivers is not in their economic interest, their social interest, their corporate interest or the interests of society as a whole—to establish good and safe union conditions. However, not all companies have come to the table, and there have been some large retailers—in particular Coles—that have been intent on forcing transport companies to undercut each other, moving contracts from safe union companies to cheap, dodgy operators where drivers are forced to drive for too long, too fast or while too fatigued in order to meet Coles's unrealistic demands. Analysis of records in just three transport operations at one Coles distribution centre in Western Sydney uncovered a shocking 126 breaches of national fatigue laws. That is 126 cases where truckies have not been allowed their proper rest breaks and have gone out on the same roads we all share. Truck driver John Waltis said that pressure from big clients at the top end of the supply chain was putting the squeeze on truckies, with tragic results. He said: 'I've been to the funerals for 52 of my mates killed in truck crashes. I don't want to go to any more. When truck drivers are not paid enough to put food on their family table and keep the rig running safely, you are putting them in an impossible position. Coles are notorious for the pressure it puts on truck drivers; their never-ending demands just keep putting truckers' lives at risk.'

As part of their Safe Rates campaign, 100 members of the Transport Workers Union—a union I am a proud member of—and their supporters held a rally at Coles Parramatta on 12
November. The protest lasted for over two hours, with 10 members being arrested for staging a sit-in in the frozen foods section. The concern I have is about the real overreach here, which is that this was a situation where a group of drivers and supporters wanted to highlight what they saw as a major issue: the pressure that drivers were being put under. They decided they were going to engage in a peaceful protest and, as a result of that, 10 of them ended up being arrested. Frankly, I think there was a better way for the police to handle this and there was a better way for Coles to handle this. It is disappointing that it takes these kinds of measures and these kinds of events.

Coles has a lot to answer for in how it treats its truck drivers and what it does at the top of the supply chain. The Coles argument has always been: 'We bear no responsibility for what happens below the supply chain', yet all the evidence shows that there is a direct link between the pressure that is put on at the top of the chain and what actually happens down the line with subcontractors and with driving companies. They have done nothing to respond to the evidence the TWU has presented to them linking their operation to accident after fatal accident, and they have done nothing to make sure that the truck drivers they use are getting paid fairly and are not being pressured to take risks. I want to acknowledge the incredible work in this campaign that has been led for many, many years by Tony Sheldon, the National Secretary of the Transport Workers Union, and also the New South Wales Secretary, Michael Aird, who has taken over in the past year and has really been driving this campaign. It is the TWU that, no pun intended, has been driving this campaign, particularly in Sydney but also across New South Wales and the ACT as a whole. There is evidence that demonstrates and shows there is a direct link between workers’ conditions and the pressure that workers get placed under and the impact of what actually happens with drivers. The Transport Workers Union should rightly be proud of the campaign they have run. Their members should be proud of the campaign. Their organisers and officials should be proud of the campaign. Frankly, I think there are some elements of corporate Australia that need to do a lot better. Simply arresting people who are trying to highlight safety concerns is not the way to achieve that.

Indigenous Incarceration

Senator SIEWERT (Western Australia—Australian Greens Whip) (13:37): I rise today to talk about Australia's appalling high rates of incarceration of Aboriginal and Torres Strait Islander peoples and to talk about Aboriginal health. Today, the Australian Medical Association launched its report card on Indigenous health, Treating the high rates of imprisonment of Aboriginal and Torres Strait Islander people as a symptom of the health gap: an integrated approach to both.

This is a very important report that makes a number of very important points. One of the first points it makes is that the report comes on the eve of 25th anniversary, next year, of the Royal Commission into Aboriginal Deaths in Custody and that many of its recommendations have not been met—and I will come back to that point. As the report points out, it is estimated that an Indigenous male born between 2010 and 2012 will live, on average, just over 10 years less than their non-Indigenous peers and an Indigenous female just under 10 years less than her non-Indigenous peers. Life expectancy is a proxy indicator for overall health and wellbeing, as they point out in their report.
The incarceration rates of Aboriginal and Torres Strait Islander peoples, I am hoping everybody in this places agrees, are unacceptably high. The age standardised imprisonment rate for Aboriginal and Torres Strait Islander peoples was 13 times greater than for their non-Indigenous peers in 2015. At the end of the 2015 June quarter, the average daily number of Aboriginal and Torres Strait Islander adult prisoners was 9,940. Under current projections, for the first time over 10,000 Aboriginal and Torres Strait Islander peoples could be in custody on the night of the annual prison census that will be held on 30 June 2016. At the end of the 2015 June quarter, Aboriginal and Torres Strait Islander peoples represented 28 per cent of all adult full-time prisoners, despite being only three per cent of our population. They account for approximately two per cent of the total Aboriginal and Torres Strait Islander population. It is just outrageous. It is unacceptable.

Most significantly, this report card treats the two gaps as connected—and this is a very important point. While the report acknowledges the range of complex reasons of imprisonment for any individual, it considers the imprisonment gap as symptomatic of the health gap—in other words, the two are intimately connected. In particular, the AMA believe and point out: ‘It is possible to isolate particular health issues such as mental health conditions, alcohol and other drug use, substance abuse disorders and cognitive disabilities—the focus of this report card—as amongst the most significant drivers of imprisonment of Aboriginal and Torres Strait Islander peoples. These health issues must be part of an integrated approach to also reduce imprisonment rates.’ We have to address both of these massive issues. It is quite clear that if we are to address the appallingly high incarceration rates, we need to address the health issues.

The report makes it clear that we cannot address health issues without addressing incarceration rates. As AMA president Professor Owler pointed out: ‘It is not credible that we cannot solve this issue. We are talking about three per cent of our population.’ It cannot be beyond our wit to address this issue, to solve this issue and it must be a priority.

The report makes five key recommendations. The first is to set a national target for Closing the Gap in the rates of imprisonment of Aboriginal and Torres Strait Islander peoples. I beg the government to back down from their opposition to this target. When the government was opposition, they committed to a justice target. It is quite clear that we need a justice target as part of Closing the Gap. Everybody should be supporting such a target. This issue needs multiparty support. The government got it wrong. Please address this issue.

Their second recommendation is to adopt a justice reinvestment approach to fund the services that will divert Aboriginal and Torres Strait Islander peoples from prison. We have spoken at length on justice reinvestment in this place. We are starting to see some significant successes coming out of Bourke, where they are running a process of justice reinvestment. We have seen examples from overseas about the value of justice reinvestment. As we have discussed in this chamber on many occasions, there is widespread support for a justice reinvestment approach.

Their third recommendation is to develop service models to support the expansion of ACCHOs, Aboriginal community controlled health organisations, and other services as part of an integrated approach to improving the health of Aboriginal and Torres Strait Islander peoples in the community—including responding to mental health conditions, substance use
disorders and cognitive disabilities based on need—and as a preventative measure to reduce imprisonment rates.

Their fourth recommendation is to partner with ACCHOs, prison health services and other services as appropriate to develop a model of health care that integrates ACCHOs, prison health services and other services to deliver an integrated approach to service provision that aims to improve health and reduce imprisonment rates at the same time. The fifth recommendation is to employ Aboriginal health workers and Indigenous health professionals in prison health services to support them to deliver a culturally competent health service. These are very sensible recommendations; doable recommendations. The report also points out—and this is an area where I am particularly concerned—that in 2012-13 Aboriginal and Torres Strait Islander young people between the ages of 10 and 17 were 17 times as likely to be under youth supervision as their non-Indigenous peers. We as a nation should be ashamed of those statistics.

As I pointed out at the beginning of my speech, this report comes on the eve of the 25th anniversary of the Royal Commission into Aboriginal Deaths in Custody. Most of those 339 recommendations, made nearly 25 years ago, have not been implemented, and we should all think very seriously and deeply about what the situation would look like now if those recommendations had been implemented fully. There are still Aboriginal deaths in custody occurring—far too many deaths across Australia. Just think of the lives that could have been saved if we had implemented those recommendations.

This week, in my home state of Western Australia, we saw the inquest into the death of Ms Dhu start. The Premier promised that there would be one. It was a lengthy time in coming, but it is finally being held. The inquest is looking into the issues, and it is quite clear that, if we had had better provisions in place, we would now be reducing those deaths in custody. It is absolutely critical that we address the health gap and the incarceration rate, and this is yet another report that highlights the appalling gap in life expectancy and the appalling incarceration rates of Aboriginal and Torres Strait Islander peoples. I agree with Professor Owler: it is not credible that we cannot address this issue. There are recommendations that are already there, and there are a number of others. Let's get a justice target in place. Let's start addressing the issues around incarceration. For a start, it has been pointed out that Ms Dhu was in prison because of unpaid fines. Stopping the incarceration of people for nonpayment of fines is one very achievable way that we can start addressing this issue. I urge everybody to read this latest report from the AMA. It demonstrates those links really clearly.

**Goods and Services Tax**

Senator GALLACHER (South Australia) (13:47): I take the opportunity to put a few remarks on the public record in the ongoing debate in respect of the GST. I meet many constituents who ask my opinion and have their own opinion and their next-door neighbour's opinion on it, and I think it is really important to put some real basics on the table. We know that in 2015-16 total revenue is expected to be $405.4 billion, an increase of 5.5 per cent on the estimated revenue of 2014-15, and we know the total expenses for 2015-16 are expected to be $434.5 billion, an increase of 3.4 per cent on estimated expenses in 2014-15. So we know that there is more increase in income than there is in expenditure, but we are spending more than we earn, so to speak.
Where does that revenue come from? I think it is really important to understand that individual income tax contributes 48 per cent of that revenue, $194.3 billion. We know that company tax—and do not take this as in any way a criticism of companies; I think companies are absolutely critical and vital, and they do enormous amounts of good work in the economy—contributes $71.2 billion. So we know where the income is coming from. We know that GST contributes $71.1 billion, or 18 per cent of the revenue. I could go through and give you all of the figures from the budget overview.

We know that in mid-December the finance minister will come out with the Mid-year Economic and Fiscal Outlook, and we will see how we are tracking on all that. But the Prime Minister has said we need a conversation on everything, and it is out there that there is a potential for GST to be increased. We know that ACOSS commissioned NATSEM to do some modelling, and we know there is a bit of conjecture about that, but I want to put it clearly on the record that Gareth Hutchens, writing in The Canberra Times on 12 June 2015, said:

NATSEM is one of Australia's most well-respected modelling outfits. Since being established in 1993, it has been used by Labor and the Coalition to model scores of policy proposals and federal budgets.

We know this to be true because not one, not two but three Liberal prime ministers have said that on the public record. We know that the Hon. John Howard made a contribution in the House of Representatives on 26 May 2005, and he said:

We have seen a steady growth in the living standards of the lowest paid members of the Australian workforce, a point independently underscored by the National Centre for Social and Economic Modelling (NATSEM) when it found that the strongest growth in private incomes over the period from 1994-95 to 2002-03 was enjoyed by low-income households.

So the Hon. John Howard used NATSEM as evidence in his contribution in the House of Representatives. We know that in 2006 the Hon. Tony Abbott said in The Sydney Morning Herald:

The policies of the Government have made all households better off, according to NATSEM modelling released last week.

We also know that the current Prime Minister, the third of the trio, said:

I have not seen the St Vincent de Paul study, but NATSEM is the premier economic modelling institute and the numbers I have quoted are straight from their presentation to the Melbourne Institute conference.

So clearly those on the other side accept that NATSEM has the runs on the board to be able to articulate and disseminate information on the effect the GST will have on people.

Let us just have a look at what it does. Currently, a household—they start at a very modest income—earning $26,131 pays $3,576 in GST, about 13.4 per cent of its disposable income. We know that a household on $49,636 pays $4,217 in GST, which is 8.5 per cent of its disposable income, and we know that someone on $75,931 pays $6,296 in GST, which is 8.3 per cent as a proportion of their disposable income. At $105,503, a household pays $7,551 in GST, which is 7.2 per cent as a proportion of its disposable income. If we have a look at those on $172,638, they pay $10,154 of GST, which is 5.9 per cent as a proportion of their disposable income. So, very clearly, the GST impost hits those on the least incomes proportionally higher. Those who can least afford it cop it the hardest. That is the point that the Labor Party has been making repeatedly in this debate.
An increase to 15 per cent is not broadening it. All things are on the table, according to the Prime Minister. That is the simple increase to 15 per cent. We know that those least able to afford it will be hit the hardest by it. Now, if you look at the effect of broadening the GST, we also know that that is going to impact disproportionately on those least able to afford it.

All of this should be seen in the context that there has been debate in this chamber over recent days about the fact that people who turn over a billion dollars do not have to disclose where their tax goes. They do not even have to tell us, let alone pay it. They do not even have to show us where it is going. If we are going to really have a sensible debate with all things on the table, we really need to see, for those people of very high net worth: where are they doing their—in the words of the former Treasurer—heavy lifting? Or are they leaners?

What we do know very clearly from the budget overview is that income tax payers are shouldering 48 per cent of the revenue burden. They are also shouldering their share of the GST burden. We know this from the budget overview statements. I would say: if all things are going to be on the table then let us have full disclosure. Let us see what those high-net-worth individuals are paying. I have no doubt that they are paying tax—some of them—somewhere. Most of them have made a conscious decision to invest in accountants, invest in legal firms and invest in tax-friendly shelters.

This government has reduced the number of tax collectors. We heard modelling that, for every dollar you put into a tax collector, you get $3 in revenue, and yet we see thousands of people going out of the tax office. We have a government that is floating a broad look at all tax—except that you cannot look at those people. You cannot see their tax affairs, because they might get kidnapped! For goodness sake! We know who they are. It is beyond me that anybody can put that up in a rational argument.

But what we do know is that NATSEM modelling is accepted by all sides of the house, by everybody in this place. We know that from the public statements of three Liberal prime ministers. If the government are going to talk about broadening the GST base, we really need to look at who is doing the lifting in the economy. If you are going to talk about compensating, how are pensioners, people on really low incomes, self-funded retirees and all those people going to get compensated?

I think that this debate on the GST will go on right up to the next election. I think they have floated it out there to see what the focus groups say, to see whether they can get it through. The contributions from the other side are that Liberal premiers and Labor premiers support it. I think we need to have a serious debate based on all of the information and the facts, and the Mid-year Economic and Fiscal Outlook may be a starting point for that. We do know that there are people who are not disclosing what they pay in tax, but it is not available to the ordinary pay-as-you-go taxpayer. They get it whacked out of their pay each week, and they pay their GST on all the services and goods they buy. They are completely open and transparent. I think the other side should make sure that companies are in exactly the same boat.

The ACTING DEPUTY PRESIDENT (Senator Whish-Wilson): Given that we have two minutes to go and Senator Bernardi is on his feet, very quickly, Senator Bernardi, you have the call.

Senator Wong interjecting—
Domestic and Family Violence

Senator BERNARDI (South Australia) (13:57): I will resist the temptation to respond to the interjections from Senator Wong because I want to address a matter which is very important and something which I think unites all people in this chamber, and that is a significant day today, which is White Ribbon Day, of course. It means that people right around Australia are expressing their solidarity and their concern about the level of domestic violence within our community. It is a matter which I have to say unites everyone in this chamber. I have served with those from the crossbenches and those on the other side on committees in which we have looked at the level of domestic violence, and we have tried to put together reports which are unanimous in their recommendations for government in an attempt to alleviate it and to reduce the level of domestic violence and the social burden that is attached to it.

I have to say that the only solution that I can really see is for an absolutely zero tolerance of any form of domestic violence, whether it applies to men against women or women against men or it is about physical violence or the other sorts of violence and intimidation that often lead into very awkward and difficult circumstances which can obviously result in physical harm. This is a blight on our community. We have to have zero tolerance.

I want to relay just briefly a circumstance where I found myself the other day in a public arena, where I saw a man not treating his partner particularly well. The circumstance was such that I was motivated to intervene in that, but I was also absolutely mindful of the potential for serious implications, being a public official, of getting into a rather indecent public spectacle in a public place. But we cannot shut it down. We cannot turn a blind eye to it. We have to intercede wherever there is an opportunity.

The PRESIDENT: Thank you, Senator Bernardi. It being 2 pm, we proceed to questions without notice.

QUESTIONS WITHOUT NOTICE
Goods and Services Tax

Senator GALLAGHER (Australian Capital Territory) (14:00): My question is to Senator Cormann, the Minister representing the Treasurer. I refer to a report by National Shelter released yesterday which shows that more people are paying more out of their weekly income to cover rent—in some cases up to 65 per cent of their income. Won't raising the GST to 15 per cent make it even harder for Australians to save the money they need to achieve their dream of homeownership?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (14:00): I think I have seen this movie before. It sounds a bit like a broken record—

Senator Ian Macdonald: You'll be back!

Senator CORMANN: Yes, I thought 'I'll be back' was my line, but Senator Gallagher is back! And it is essentially the same question. And let me tell you something: I have a very high regard for Senator Gallagher's capacity to make a great and fine contribution to Australia in this chamber in the years and decades to come. Hopefully, it will be for a while longer in opposition, but eventually, down the track, I am sure she will make a fine contribution in a
future Australian government. Let me give her one very well-intentioned lesson. If you keep asking the same question you will keep getting the same answer, and the answer is that the government does not have any proposal in front of it to make the sort of changes to the GST she is suggesting.

What we are doing as part of our commitment to growth and jobs is engaging in an open and transparent conversation with the Australian people. We are engaging in a good faith conversation with the states and territories on how our tax system can be further improved and how it can be made more growth friendly so that we can strengthen growth and create more jobs.

The premise of the question is entirely false, and what I would suggest to the Labor Party is that this was supposed to be the ‘year of great ideas’—remember? And do you know that the three big, great ideas of the Labor Party are three tax increases? They have the tax on people’s retirement savings, the tax on business—which will cost jobs according to Treasury—and they have the tax on cigarettes. So the great ideas on the Labor side are more new taxes, but on this side we are thinking very carefully on how we can strengthen growth and create more and better jobs. We would suggest that the Labor Party actually become part of the conversation rather than be part of the problem. *(Time expired)*

**Senator Gallagher** (Australian Capital Territory) *(14:03)*: Mr President, I ask a supplementary question. Yesterday in the House of Representatives, the Prime Minister admitted that housing affordability was a ‘very, very big issue.’ Won’t raising the GST to 15 per cent make this issue even bigger?

**Senator Cormann** (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) *(14:03)*: The Prime Minister is of course 100 per cent correct. Housing affordability is a serious issue, and the way that you improve housing affordability is by increasing the supply of housing. What happens to the affordability of anything in a free market is a function of supply and demand. If you have stronger demand than available supply, prices go up; if you have stronger supply than demand, prices go down, and over time in a market things get back into balance.

The truth is that there are a whole range of things that we, with the states and territories, should be focusing on to improve housing affordability, but the premise of Senator Gallagher’s question, as indicated in my primary answer, is false, and we reject it. She is trying to suggest that certain decisions have been made in relation to a process that has not reached a conclusion. So Senator Gallagher or any other Labor senator can keep jumping up and down every day— *(Time expired)*

**Senator Gallagher** (Australian Capital Territory) *(14:04)*: Mr President, I ask a further supplementary question. Adrian Pisarski from National Shelter, when speaking about rental affordability, said:

Low income households are being hammered beyond belief … Many middle income households are finding it hard to make ends meet. These households then ultimately don’t have disposable income to spend on key life items like health, transport, education and food.

Won’t raising the GST continue to hammer low-income households beyond belief?

**Senator Cormann** (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) *(14:04)*: We want every Australian, in particular low- and middle-
income earners around Australia, to have the best possible opportunity to get ahead and to improve their living standards, and the best thing we can do as a government and as a parliament is to put in place the policy settings that help facilitate stronger growth and that help facilitate an environment where more and better jobs can be created so that more people across Australia have the best possible opportunity to get ahead. That is what we are doing across the whole government of public policy. That is why we are engaged in an ambitious infrastructure investment program. That is why we are engaged in an ambitious free trade agenda. That is what we are looking at how our tax system can be further improved to make it more growth friendly. That is why we got rid of all these bad Labor taxes—all of that lead that Labor put in our saddlebags in their last six years in government. We will not be distracted by Labor's sniping.

**Domestic and Family Violence**

Senator LINDGREN (Queensland) (14:06): My question is to the Attorney-General, Senator Brandis, representing the Prime Minister. Can the Attorney-General advise the Senate what the government is doing to prevent violence against women?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:06): It is of course a very important question and a very timely question on White Ribbon Day. This is, as all honourable senators know, a very grave problem for Australia. This year already 78 women have been murdered in this country by a current or former partner. Last night, the ABC documentary *Hitting Home* reported that police around Australia are called to a family violence episode approximately every two minutes. Women and children in Australia have the right to feel safe and live without fear of violence.

In Australia we have a tremendous opportunity to ensure that women are safe at home, safe on the streets and safe online, with Rosie Batty as Australian of the year, the COAG advisory panel on violence against women and the $100 million women's safety package announced by the Prime Minister and Senator Cash on 24 September. That package is in addition to the government's $100 million investment in the second national action plan to reduce violence against women and their children and the $30 million national campaign to reduce violence against women and their children, jointly funded by the Commonwealth and the states and territories, which commences early in 2016.

Today the Prime Minister and the Minister for Social Services, the Hon. Christian Porter, released research revealing that adults and young people excuse disrespectful and aggressive behaviour towards women without sometimes even realising it. This research will inform and develop the $30 campaign of which I have spoken. On White Ribbon Day I am sure that each and every member of this chamber is united in their determination to address and, where possible, eliminate this problem.

Senator LINDGREN (Queensland) (14:08): Mr President, I ask a supplementary question. Can the Attorney-General please inform the Senate: what else is the government doing to combat family violence?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:08): Yes, I can, Senator Lindgren. This afternoon I will introduce into the Senate the Family Law Amendment (Financial
Agreements and Other Measures) Bill 2015, which contains significant new measures to protect women and children from domestic violence. Further, on 28 January this year the former Prime Minister, Mr Abbott, placed family violence on the COAG agenda as a priority issue for COAG, where it remains so that appropriate attention by every Australian government can be paid to the issue. The government will continue to prioritise the development of reforms in this area. And, as I mentioned in my answer to your primary question, Senator Lindgren, in September Mr Turnbull and Senator Cash launched the Women's Safety Package, which aims to keep women safer at home, on the streets and online.

Senator LINDGREN (Queensland) (14:09): Mr President, I ask a further supplementary question. Will the Attorney-General please provide the Senate with details of the Women's Safety Package?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:09): Senator Lindgren, I can tell you that the Women's Safety Package includes: $17 million of funding to keep women safer at home by installing safety equipment; $12 million to trial innovative technology such as GPS monitoring and portable panic buttons; $5 million to support the Commonwealth's eSafety Commissioner to develop a resource package and distribute safe phones; $5 million to expand 1800RESPECT, the national telephone and online counselling and information service; $2 million for increased funding for MensLine; $14 million for improved training of front-line staff; $15 million for specialised domestic violence units to provide coordinated legal advice, social work, cultural liaison and hospital outreach; $5 million for local case workers; $21 million for Indigenous specific measures; and $5 million to develop respectful relationship education resources. (Time expired)

Economy

Senator KETTER (Queensland) (14:11): My question is to the Minister representing the Treasurer, Senator Cormann. I refer to the minister's statement yesterday that 'this side of the chamber are focused on policies that strengthen growth'. Minister, is Mr Nigel Ray, Deputy Secretary of the Treasury, correct to say that, under the Abbott-Turnbull government, Australia is experiencing 'a prolonged period of below-par growth, the likes of which we have rarely seen outside of a recession?'

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (14:11): Firstly, that is not actually what he said. The question as framed by the good senator is not actually what Mr Ray said. I know that Labor seems to be getting some pleasure out of the fact that we are going through a more challenging global economic situation as a country at the moment, but the important point that I would make again—and I have made this point several times before—is that both the Australian economy and the budget are in a better position than they would have been if Labor had stayed in government. If you are concerned about where the economy and the budget are now, how much worse do you think things would have been if the mining tax had stayed in place; if the carbon tax had stayed in place; if the unsustainable spending growth trajectory imposed on Australia by the worst finance minister in the history of the Commonwealth had stayed in place; if we had not rolled out our ambitious free trade agenda—helping our exporters be more successful in markets like China, Korea and Japan; if we had not rolled out our very ambitious infrastructure investment program, investing in productivity and enhancing
infrastructure around Australia? The truth is that what Mr Ray did yesterday, very appropriately, was to explain a change to a technical assumption in the projection years of the budget. I do not expect Labor to understand, because Labor does not understand about how to manage money. People across Australia know that whenever Labor is in government they make a mess of the budget and the coalition has to fix it up.

Honourable senators interjecting—

The PRESIDENT: Order on both sides. I remind you that it is disorderly to interject.

Senator KETTER (Queensland) (14:13): Mr President, I ask a supplementary question. Can the minister confirm that yesterday Treasury indicated that economic growth will be even lower under Treasurer Morrison than was forecast under Treasurer Hockey in his last budget?

Honourable senators interjecting—

The PRESIDENT: Order! You are delaying question time.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (14:14): That is actually not what Mr Ray did. I do not expect the Labor Party to understand the disastrous effect that the Labor policies that we inherited have had on Australia's economic fortunes. We are working to take all of that lead out of Australia's saddlebag to strengthen growth and create more jobs. The truth is that the economic forecasts and projections for 2015-16 Mid-Year Economic and Fiscal Outlook will be finalised following the release of the September quarter national accounts on Wednesday, 2 December.

The other truth is that, forever and a day and for a very long time, in the final two years of the forward estimates—

Senator Wong interjecting—

Senator CORMANN: and I appreciate this is a technical point that goes right over Senator Wong's head—there is a technical assumption of a return to, effectively, the full employment rate, and, given that we have lower population growth—(Time expired)

Senator KETTER (Queensland) (14:15): Mr President, I ask a final supplementary question. Can the minister confirm that, despite promising to build a stronger economy, the Abbott-Turnbull government has presided over economic growth well below trend. How does lower growth build a stronger economy?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (14:16): Let me say it again very slowly: economic growth in Australia today is stronger than it would have been if Labor had stayed in government. If we had stayed on the trajectory that Labor put Australia on, economic growth today would be lower. Australia continues to grow while other commodity-based economies like Canada and Brazil are in recession. I do not expect Labor to understand this, but over the last two years we have been working on making our economy more competitive, more productive. We will be making a very significant announcement soon on how we can provide the appropriate incentives to drive stronger innovation across the economy in order to strengthen growth and create more jobs. If you look at the results that we have achieved, there have been more than 360,000 new jobs in the two years that we have been in government. The truth is that Labor is misrepresenting—(Time expired)
Domestic and Family Violence

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (14:17): My question is to Senator Brandis, the Minister representing the Prime Minister. Today is White Ribbon Day in Australia and internationally it is the day for the elimination of violence against women. My question relates to the fact that this year two women every week have died at the hands of a partner or former partner. Front-line services like community legal centres, Indigenous legal services and homeless shelters still turn away over 150,000 people every year. The Abbott government cut over $200 million from affordable housing, $240 million from social services, $15 million from legal aid and $40 million from new homelessness shelters. Services are facing funding uncertainty, impending funding cuts in 2017 and inadequate existing funding. Will the Turnbull government commit to reverse those cuts and raise funding to the levels required so that no woman trying to escape from violence is turned away?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:18): Senator Waters, the reason I took the first question that I did, addressing this issue, was to address the very concerns you raise. The figure you quote, that a woman is assaulted on average once every two minutes, was the figure that I also quoted to the Senate. So we know that this is a grave problem. It has to be attacked through a variety of measures, and at every level of government, not merely by the Commonwealth. But I did, Senator, explain to you what the measures announced in September by Mr Turnbull and Senator Cash, comprising the Women's Safety Package, involved. Let me run through them for you again, because it is a very major commitment in addition to and on top of existing legal assistance funding.

The PRESIDENT: Pause the clock! A point of order, Senator Waters?

Senator Waters: Mr President, I did take notes, and I have previously heard the breakdown of that financial commitment, and it is very welcome—

The PRESIDENT: Your point of order, Senator Waters?

Senator Waters: but I am interested in the question, which was: will you reverse the funding cuts of the former government?

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

Senator BRANDIS: Senator Waters, some of the funding reductions to the overall legal aid budget which had been foreshadowed in the 2013 MYEFO statement were, in fact, reversed as a direct result from an intervention by me with the former Prime Minister, Mr Abbott. You do not seem to be acknowledging that, but that occurred. But specifically in relation to the legal assistance sector, might I draw to your attention the $15 million for specialised domestic violence units, which bring together coordinated services for legal advice, social work, cultural liaison and hospital outreach. This is a problem which, when suffered by its victims, often manifests itself in a variety of different aspects of life which require the services of a variety of different professions and specialisations. (Time expired)

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (14:20): Mr President, I ask a supplementary question. This week, PricewaterhouseCoopers has found that, on top of the tragic human costs, domestic violence costs the Australian economy $21.7 billion every year. Given that you acknowledge the benefits of Australia's exports and other
industries, will you acknowledge the cost of domestic violence in the upcoming MYEFO budget statement as the first step towards addressing it?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:21): Of course there is a cost. There is a financial cost, an economic cost, to the economy. But, even more seriously, there is a cost to the lives of the people who suffer domestic violence—in particular, to the women and to the children who suffer domestic violence—and that is a cost so grave that it cannot be measured in economic statistics alone, as I am sure you will understand. That is why, in assembling a national and comprehensive approach to this problem, the government is tackling it in all the different ways that I adumbrated a moment ago in the Women's Safety Package. That is why the former Prime Minister, Mr Abbott, placed it as a priority item on the COAG agenda. That is why Mr Turnbull and Mr Porter—(Time expired)

Senator WATERS (Queensland—Co-Deguty Leader of the Australian Greens) (14:22): Mr President, I ask a further supplementary question. Minister, last week the World Economic Forum's Global gender gap report saw Australia drop from 24th to 36th this year, and Our Watch acknowledged that gender inequality underpins domestic violence. When will you act to address the gender pay gap, the gender retirement income gap, the lack of women in leadership positions in the public and private sector and the unequal distribution of unpaid domestic work?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:22): We do not think there should be a gender gap, and I am sure that, in that view, you and the government share a common position, as I am sure does the opposition as well. That is why, though, when we speak of the issue of family violence and violence against women, there are certain specific measures that we propose to take—the certain specific measures that I have indicated to you.

Senator Jacinta Collins interjecting—

Senator BRANDIS: I am surprised to hear interjections coming from Senator Jacinta Collins, because I actually thought this was an issue that was above politics. But nevertheless, Senator Waters, you take this issue very seriously. So does the government. That is why we have introduced these additional measures to deal specifically with the causes of the problem as well as the consequences of the problem.

Competition Policy

Senator SESELJA (Australian Capital Territory) (14:23): My question is to the Minister for Finance, Senator Cormann, representing the Treasurer. What plans does the government have to work with the states and territories and other key stakeholders to implement competition reforms?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (14:24): I thank Senator Seselja for this question and for his genuine interest in policies that strengthen growth so we can see more and better jobs created across the Australian economy. The Harper review was really a call to arms for all Australians and all levels of government in Australia to embrace competition and to embrace policies to improve competition across Australia as a key component of our overall strategy to strengthen growth and create more and better jobs.
With competition, of course, comes greater consumer choice, a more productive economy and higher living standards, which will help drive growth in jobs in our economy. As I mentioned to the Senate yesterday, the government is embracing the Harper review by supporting, in whole or in part, 44 of the 56 recommendations, while we remain open to the remaining 12 recommendations and of course are committed to do some further work in relation to those matters, talking with the states and territories and other stakeholders. The Hilmer review in 1993 led to a decade of pro-competitive reforms through the National Competition Policy, which increased Australia's GDP by 2.5 per cent, and the Harper review is an opportunity to build on this legacy.

The government is already engaging with the states and territories to develop a national framework to advance an ambitious competition reform agenda. Many areas of reform identified in the Harper review are in areas of state and territory responsibility, such as planning and zoning and retail trading hours, or in areas of shared responsibility with the Commonwealth, such as human services. The government is willing to consider payments to the states and territories for reforms that deliver improved productivity and boost economic growth, as such payments were integral to the success of the National Competition Policy 20 years ago. (Time expired)

Senator SESELJA (Australian Capital Territory) (14:26): Mr President, I ask a supplementary question. Could the minister further expand on how further competition reform will strengthen Australia's economy?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (14:26): Competition encourages business to pursue efficiencies, rewarding the innovative and dynamic businesses that provide the best services at the lowest cost—those businesses that are the most agile, I guess is how I could best put it. If businesses can become more efficient and if they can lower their operating costs as a result, they are then free to invest further in Australia's economy and be even more successful and employ more Australians.

Reforming competition is one of the best options we have to boost growth and productivity in the years ahead, and this is why it is at the heart of the government's economic plan. Ultimately it is through increased choice, competition and gains in productivity that we will reinvigorate real wage growth for working Australians and grow our economy, and the Treasurer will be discussing these matters with his state and territory counterparts next month. The government is optimistic that we can find a way forward to increase competition in our economy, to the benefit of all Australians.

Senator SESELJA (Australian Capital Territory) (14:27): Mr President, I ask a supplementary question. Minister, could you outline how competition reform and other economic reforms will strengthen jobs growth in Australia?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (14:27): That is a very good question by Senator Seselja, if I might say so. Increasing choice and delivering better services for consumers is central to this government's plan for driving growth in jobs in our economy, and it is also central to our response to the Harper review. The Harper review encourages governments at all levels to lead a new phase of change, to deliver better services and greater choices for Australians. In turn, this will help drive growth in jobs in our economy and support the higher living
standards that result from these efforts. When businesses become more competitive and efficient, they invest in Australia, and investment creates jobs and growth, which are of course central to the future strength and success of the Australian economy. While this government is getting on with the job of pursuing and implementing serious reform, what do we get from Labor in their big year of new ideas? Three new tax increases. That is all Bill Shorten has got to show for this year of big ideas. *(Time expired)*

**Western Australia: Bushfires**

Senator WANG (Western Australia) (14:28): My question is to the Minister representing the Minister for Justice, Senator Brandis. I acknowledge the Prime Minister's statement this week in the other place paying tribute to the firefighters and community members who have bravely battled the firestorm that tragically claimed four lives in the farming community of Esperance in WA's remote south-east. Can the minister update the Senate on the estimated damages so far to agriculture and public and private assets?  

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:29): Senator Wang, I am sure all of us in this chamber share the sympathy that your question exhibits to the victims of the Esperance bushfires. I actually do not have a brief on the cost to the agricultural areas of Western Australia affected. I will make an inquiry of the Minister for Justice who has direct portfolio responsibility for this area and I will have those figures to you shortly.

Senator WANG (Western Australia) (14:30): Mr President, I ask a supplementary question. Can the minister advise of any progress between the WA and federal governments towards the activation of the Natural Disaster Relief And Recovery Agreements which would give emergency payments to individuals who have suffered personal hardships, state and local governments for the restoration of essentially public assets, and help get small businesses, primary producers and not-for-profit organisations back on their feet?  

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:30): I am advised that 300,000 hectares were affected, 4½ thousand livestock were affected, 75,000 hectares of crops were destroyed and, as you have said, Senator Wang, four lives were lost.

The arrangements under the National Disaster Relief and Recovery Arrangements are exercised by the Minister for Justice and, where appropriate, emergency relief is provided to families affected by those bushfires, according to the criteria for the NDRRA system.

Senator WANG (Western Australia) (14:31): Mr President I ask a further supplementary question. Can the minister advise the Senate what the federal government is doing to ensure the people of Esperance have sufficient mobile telecommunications services and when the 10 new mobile towers, jointly funded through Telstra and the state government's Royalties for Regions program, will be installed to supplement the sole tower installed currently in the program?  

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:32): Senator Wang, the government has announced, as I am sure you are aware, that in rolling out the NBN there will be 499 communications towers erected across Australia in coming years to cover black spots.
I am advised by Senator Fifield, who has, as you know, portfolio responsibility for this matter, that several of those towers will be in the Esperance region. When those towers are erected, they will address the problem of mobile coverage in that area, which among all the other beneficial effects, Senator Wang, will of course be of utility in bushfires situations to enable people to communicate telephonically with each other in circumstances where, perhaps at the moment, they are not able to do so.

**Economy**

**Senator REYNOLDS** (Western Australia) (14:33): My question is to the Cabinet Secretary, Senator Sinodinos, representing the Minister for Industry, Innovation and Science. Will the Cabinet Secretary advise the Senate what action the government is already taking to place innovation and science at the centre of economic growth and the creation of jobs?

**Senator SINODINOS** (New South Wales—Cabinet Secretary) (14:33): Thank you to Senator Reynolds for this question, and I recognise her passion for all things to do with innovation. She, I think, with Senator Dio Wang cohosted today an important function with the chief scientist of Israel.

You are right: the government is committed to showing economic leadership that will create the jobs and growth that are necessary to provide wealth in our economy and jobs for Australians. We are doing this through a number of measures to drive economic leadership in this country. Most recently we passed the China-Australia Free Trade Agreement as well as the Korea and Japan free trade agreements and have reached agreement on the Trans-Pacific Partnership.

The government has introduced or reformed a range of programs that specifically support development and commercialisation of innovative goods and services. As the Prime Minister has said, we have to work more agilely, more innovatively. We have to become more nimble in the way we seize opportunities that are presented to us: the $255 million Industry Growth Centres program, which takes a sector based approach, to drive innovation by concentrating our investment on key sectors with strong growth potential; the Cooperative Research Centre program, which has $584 million in funding this year—the CRC program, which was an initiative of Labor many moons ago when Labor used to have ideas—will give considerable support to the growth centres and supports industry-led collaboration between researchers, business and the community; the R&D tax incentive, which is the government's single-largest investment in business innovation, a targeted, generous and market driven program to help businesses offset some of the costs of research; and the $482 million Entrepreneurs' Program, our flagship firm level initiative, which directly assists Australian businesses to take advantage—(Time expired)

**Senator REYNOLDS** (Western Australia) (14:35): I thank the Cabinet Secretary for that previous response—although I think I missed some of it listening to the noise from the other side; however, I do have a supplementary question. How will the next Chief Scientist further assist this government in placing science at the centre of the agenda?

**Senator SINODINOS** (New South Wales—Cabinet Secretary) (14:35): The government recently announced the appointment of Dr Alan Finkel AO as Australia's next Chief Scientist. This appointment has been well received. Dr Finkel is a classic example of a person who is an academic, philanthropist and businessman, who will lead the government in the national
innovation and science agenda as he replaces former Professor Ian Chubb AC, who has for
five years been a distinguished Australian Chief Scientist.

Senator Kim Carr: Not former; he still is.

Senator SINODINOS: Who will replace, I said. Dr Finkel's experience in science and the
commmercial sector means he is uniquely qualified to act as one of the government's key
advisers on science and innovation, and on ways to translate our great scientific research into
real, tangible outcomes for Australians and the economy. His will be a vital role in shaping
our economic future and leading our national conversation on science, innovation and the
commercialisation across research, industry and education sectors and the wider community.

Senator REYNOLDS (Western Australia) (14:36): Mr President, I ask a further
supplementary question. Can the Cabinet Secretary also apprise the Senate of any other
upcoming developments in the innovation and science area?

Senator SINODINOS (New South Wales—Cabinet Secretary) (14:37): The government
acknowledges that more work needs to be done on getting the settings right for innovation
and science policy. Our aspiration is to create an innovation ecosystem which can survive
through the ups and downs of various levels of government—and various returns of a Labor
government at some stage as well. The Prime Minister has directed the Minister for Industry,
Innovation and Science to release his inner revolutionary. Together we are pushing ahead
with the Prime Minister's vision to transform our innovation ecosystem into one of the world's
best. At the recent innovation roundtable hosted by the Prime Minister, I joined him and
others in an open, frank and free-flowing discussion about the future of our system with
leading stakeholders. We will examine measures around a culture of entrepreneurship and
innovation, more investment in start-ups, entrepreneurship, science, technology, engineering
and maths. (Time expired)

Trade with Israel

Senator DAY (South Australia) (14:38): My question is also to the Cabinet Secretary,
representing the Minister for Trade and Investment. The government is on a roll with its
tariff-slashing trade accords with Japan and South Korea, the top two in the Bloomberg
Global Innovation Index, plus ChAFTA and the Trans-Pacific Partnership. Hopefully, we will
see a deal with India before too long. I acknowledge that none of this momentum would be
possible today were it not for the tireless work of former South Australian MP, the late Bert
Kelly. Minister, Israel ranks fifth, ahead of the USA even, on the Bloomberg Global
Innovation Index. Israel has free trade deals with the USA, Canada, the EU, Mexico,
Colombia and Turkey. What progress is being made on a free trade agreement with the great
innovating nation of Israel?

Senator SINODINOS (New South Wales—Cabinet Secretary) (14:39): I thank Senator
Day for his question. He gave me some notice of this question. I recognise his efforts to
promote a more enterprising and a more market driven Australian economy. He mentioned
the great Bert Kelly, who was the author—the thought leader—when it came to slashing
tariffs and encouraging a less protected Australian economy.

While an FTA with Israel is not currently part of our work program, I think Senator Day
raises an interesting point which I will follow up. We have already been pursuing an
ambitious trade agenda. I have already mentioned the trade agreements in East Asia. We are
also working on a regional comprehensive economic partnership and bilateral free trade agreements with India and are resuming talks with India. But you raise a very good proposal. We look a range of factors, Senator Day, in considering whether to pursue a bilateral free trade agreement. We seek to conclude them with partners who have shared interests in FTAs that are high quality and comprehensive, are generally trade liberalising and which advance our broader objectives, including at the multilateral level through the World Trade Organisation.

It is true that Israel maintains significant tariffs on a range of agricultural and food products. These tariffs on agricultural products were found to be 24.5 per cent compared to 4.2 per cent for non-agricultural products. We are supportive of Israel's efforts in the WTO and bilaterally to address barriers in agriculture, manufacturing and services. We welcomed the unilateral liberalisation of trade by Israel in areas such as dairy products in 2012. Israel was our 43rd ranked bilateral trading partner in 2014. This suggests that there is a lot of scope to grow that relationship both in terms of trade and investment. Two-way investment stands at $1.4 billion. We can do better than that.

Senator DAY (South Australia) (14:41): Mr President, I ask a supplementary question. Israel is a world leader in water recycling and desalination and can produce desalinated drinking water at $830 a megalitre—comparable with Murray-Darling water prices in the drought and a third of the $2,400 a megalitre desalination costs in Adelaide. Israel is also a world leader in drip irrigation, which my home state has adopted to improve food production levels and Murray river health. What role will water technology trade play in future negotiations?

Senator Wong: Mr President, I rise on a point of order. I read your note to senators, Mr President, which actually addressed the issue of supplementary questions and made the very salient point that the fact that you mention some aspect of subject matter which is the same does not make it a proper supplementary. I would suggest to you that it is not a supplementary question.

The PRESIDENT: Thank you, Senator Wong. I will give the senator an opportunity to rephrase that question, but that question was not a supplementary question to the primary question.

Senator DAY: The final point was: what role will water technology trade play in future negotiations? We are talking about a free trade agreement. What role will water play in free trade?

The PRESIDENT: Senator Day, I will allow that question to stand, as I have in the past. It is borderline supplementary to the primary question. The primary question went into other matters in relation to other countries, not just the water in relation to Israel. But I will allow that to stand on this occasion. I urge all senators to be cautious in the framing of their supplementary questions.

Senator SINODINOS (New South Wales—Cabinet Secretary) (14:43): Water technology could potentially be a strong focus of interest, and I am, of course, someone who is very interested in recycling. Of course, much can be achieved outside of the FTA process. Drip irrigation technology originating in Israel has indeed—

Senator Wong: Tell us about water holdings.
Opposition senators interjecting—

The PRESIDENT: Order! Pause the clock.

Opposition senators interjecting—

The PRESIDENT: Let's come to order.

Senator Cameron: Why didn't you tell him that you couldn't answer the question?

The PRESIDENT: Senator Cameron!

Senator Lines interjecting—

The PRESIDENT: And Senator Lines. Cabinet Secretary.

Senator SINODINOS: Thank you, Mr President. Such technology is a fine example of the benefits of innovation and invention. Israel is to be commended for the energy and effectiveness of its innovation and technology sector. Israel spends an OECD high of 4.2 per cent of GDP on R&D, has the third largest number of NASDAQ listings after the US and China—a remarkable feat for an economy of its size—and has one of the highest start-up densities in the world. In recent weeks, the Prime Minister, Mr Turnbull, has stated that innovation will, and must be, at the heart of public and private sector activity to drive future growth and prosperity. We have much to learn and share from Israel. That is why, as I mentioned earlier, Israel's chief scientist, Avi Hasson, is in Australia this week exchanging views and insights with Australian innovators—(Time expired)

Senator DAY (South Australia) (14:45): Mr President, I ask a further supplementary question. My primary question was: can we have a free trade agreement with Israel? My supplementary was: will water technology play a part of those negotiations? And my further supplementary question is: in what other areas or fields can we collaborate with this great nation of Israel?

Senator SINODINOS (New South Wales—Cabinet Secretary) (14:45): Again, I thank the senator for his question. In fact, I remind the senator that for many years the Australia Israel Chamber of Commerce has been a highly engaged facilitator of business links between Australia and Israel. I commend them for their many successful delegations and the forging of business links between our two countries. We are always looking for new areas of promise in Israel and elsewhere, as I know the business community is. One of the frustrations has been that we have not always followed up appropriately on those delegations and identified the opportunities and then acted on them. I think the framework you are setting up, Senator Day—through you, Mr President—would be one that would provide an opportunity for us to recognise areas where we could, through other agreements that we could make, collaborate not only on trade and investment but also on the exchange of technology. If it is not already known, I remind the Senate that the Minister for Industry, Innovation and Science, and, indeed, the Attorney-General, will be travelling to Israel next month—(Time expired)

Broadband

Senator McLUCAS (Queensland) (14:46): My question is to the Minister for Communications, Senator Fifield. I refer to the now Prime Minister's announcement on 14 December 2014 that the taxpayer would 'take progressive ownership of the Optus HFC cable network and use this infrastructure in the NBN rollout'. Given that Optus planned to mothball
its old HFC network years ago and this government did not finalise the new Optus deal until December last year, is the Optus HFC network fit for purpose for the NBN rollout?

**Senator FIFIELD** (Victoria—Manager of Government Business in the Senate, Minister for Communications, Minister for the Arts and Minister Assisting the Prime Minister for Digital Government) (14:47): I am glad Senator McLucas raises the HFC technology, which is around Australia, because accessing the HFC infrastructure is one of the main reasons why this government and NBN co is going to be in a position to rollout the National Broadband Network nationwide much faster than would have been the case if those opposite had remained in office. As a government we think that it makes good sense to use the infrastructure that is there, and the HFC, in particular, is there in most capital cities and the Gold Coast. This government and NBN co is pursuing what is known as a multitechnology mix and that is that the NBN is, in a sense, technology agnostic. The NBN will avail itself of the technology that will best see the NBN rolled out fastest and at lowest cost to taxpayers. As Senator McLucas points out, Optus does have HFC cables. Telstra do as well. The NBN will be availing itself of those network opportunities as is appropriate.

**Senator McLucas** (Queensland) (14:48): Mr President, I ask a supplementary question. I note that the minister did not answer my initial question. I refer to the now Prime Minister’s comments on 20 July 2012 when he said that the Optus HFC network could be upgraded for ‘a modest cost’ to provide NBN-equivalent services for most customers. Given that Optus planned to mothball its old HFC network years ago, is it still the policy of this government to use this infrastructure, and are the costs of upgrading it still modest? **(Time expired)**

**Senator FIFIELD** (Victoria—Manager of Government Business in the Senate, Minister for Communications, Minister for the Arts and Minister Assisting the Prime Minister for Digital Government) (14:49): It is certainly the view of this government, and the approach of NBN co, that the HFC infrastructure be used as is appropriate. I will make what I think is probably a self-evident point—but I will make it for those opposite anyway—that using the HFC infrastructure that is there will see the NBN roll out sooner—

**The PRESIDENT:** Pause the clock!

**Senator Fifield interjecting**—

**The PRESIDENT:** Order, Minister! Do you have a point of order, Senator Moore?

**Senator Moore:** Mr President, I rise on a point of order going to relevance. I have been listening very carefully, and I am asking the minister to respond on direct relevance to the issue around the Optus HFC network.

**The PRESIDENT:** Thank you, Senator Moore. I will remind the minister of the question.

**Senator FIFIELD:** As I was saying—

**Opposition senators interjecting**—

**The PRESIDENT:** Order! Allow the minister to answer.

**Senator FIFIELD:** I really need not continue, because those opposite seem content to both ask and answer their own questions. It is a very Rudd-like approach by those opposite: ask a question and then answer it yourself. I do not know why they bother—

**The PRESIDENT:** Pause the clock!

**Opposition senators interjecting**—
The PRESIDENT: Order! You have a colleague on her feet waiting to raise of point of order, I assume. Do you have a point of order, Senator Moore?

Senator Moore: Mr President, I rise on a point of order going to relevance. Again, it is direct relevance in terms of the Optus HFC network. The minister has fluffed around a little bit to cover some time, but he has still got two seconds.

The PRESIDENT: Thank you, Senator Moore. The minister has two seconds in which to answer the question.

Senator FIFIELD: We will be using Optus and Telstra.

Senator McLUCAS (Queensland) (14:51): Mr President, I ask a further supplementary question. I note that the cost of this government's second-rate NBN has nearly doubled to $56 million, and the time frame for rolling it out has more than doubled to 2020. Isn't it true that the Optus HFC network is not fit for purpose and overbuilding it will cause more delays and further blow out this government's costs for a second-rate NBN?

An opposition senator interjecting—

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications, Minister for the Arts and Minister Assisting the Prime Minister for Digital Government) (14:52): Again, they like to answer their own question, Mr President.

Senator Wong: Can you do it? Can you actually answer a question?

Senator FIFIELD: Mr President, I will answer the question if those opposite want to listen. As I have made crystal clear, NBN will be using the Telstra and Optus HFC network as is appropriate. I am not sure what it is that colleagues opposite are having a difficulty grasping, but I completely reject Senator McLucas' assertion that the approach this government is taking will be at greater cost to taxpayers than that which those opposite were going to pursue. Wrong! If the plan of those opposite were pursued, the NBN would be delivered nationwide much much further into the future and at much much greater cost to the taxpayer.

Schools

Senator JOHNSTON (Western Australia) (14:53): My question is for the Minister of Education and Training, Senator Birmingham. Can the minister advise the Senate what the international comparative data released today is showing about Australia's school system?

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (14:53): I thank Senator Johnston for his question and for his interest in the comparative performance of Australia's school education system. I am pleased to inform Senator Johnston and the Senate, through you Mr President, that the OECD's Education at a Glance 2015 report released overnight shows that Australia spends, as a proportion of GDP, a very high level, in fact an above-average level among OECD countries on school education. It is a demonstration of the strong support, indeed the record support, provided for school education in Australia.

While at a primary school level our rate of expenditure is slightly below the OECD average, at a secondary school level total expenditure per student is significantly above the OECD average. The OECD average is some US$9,484, while average expenditure on secondary school students in Australia is significantly above at AU$11,010, a demonstration
of the strong commitment that governments around Australia and continually throughout political industry have put on supporting a school education sector. While funding matters, it is what you do with the funding that matters most in education outcomes that can be obtained.

In Australia, we have noticed over the last decade or so that funding has increased quite substantially. In fact, in the period 2000 to 2009 funding increased some 44 per cent. Yet during that time we saw declines in real and relative terms in our PISA scores—the international benchmark on literacy, numeracy and science. That is, of course, a very concerning and worrying situation for Australia and it is why as a government we have put our focus not just on funding questions but also on how we can help schools to do their best to lift other standards in teacher quality, curriculum and all standards in the education system.

(Time expired)

Senator JOHNSTON (Western Australia) (14:55): Mr President, I ask a supplementary question. What is the Commonwealth doing to support students, families and schools and to improve student outcomes?

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (14:55): Complementing the record funding of some $69.5 billion which this government is providing for our school education system, an increase over the forward estimates period in school funding of 27.9 per cent, the government is also focusing on teacher quality and on measures to help lift the standard of teachers coming into the profession. We have ensured that a robust national curriculum has been put in place. Implementing the recommendations of the curriculum review, we delivered upon and de-cluttered the curriculum, ensuring that all jurisdictions signed up to the delivery of that curriculum.

We have provided measures to try to increase school autonomy among the jurisdictions, with all jurisdictions signing up to the independent school initiative. Indeed we are working to enhance parental engagement. Perhaps the most important factor that can complement strong school outcomes is strong parental engagement and our measures to encourage parental engagement including particularly the learning potential app which has been made available to parents around Australia. (Time expired)

Senator JOHNSTON (Western Australia) (14:57): Mr President, I ask a further supplementary question. What further action is the Commonwealth government taking to improve teaching quality?

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (14:57): I thank Senator Johnston for particularly focusing in on teaching quality. The OECD Director for Education and Skills said in February this year, 'The highest performing education systems tend to systematically prioritise the quality of teachers over the size of classes.' Indeed, our government has made sure that teacher quality has been at the forefront of our reforms. That is why we established the TEMAG review of initial teacher education programs, which reported in February, and have accepted all but one of its 38 recommendations. This has ensured that we have gained agreement from the states and territories for new guidelines for the selection of entrants to teacher training programs, the adoption of new literacy and numeracy tests, as a means of demonstrating that teacher graduates are in the top 30 per cent of the population for personal literacy and numeracy, and are supporting an accelerated timetable to bring all initial teacher education programs under
the new national standards and procedures, ensuring that parents can have confidence that in the future the quality of teachers will match the investment by governments.

National Security Committee

Senator JACINTA COLLINS (Victoria) (14:58): My question is to the Minister representing the Prime Minister, Senator Brandis. Minister, why did Mr Turnbull remove the immigration minister, Mr Dutton, as a standing member of the National Security Committee of cabinet?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:58): The composition of the National Security Committee of cabinet is on an as required basis. Mr Dutton is present for all deliberations of the National Security Committee of cabinet dealing with the Immigration and Border Protection portfolio.

Senator JACINTA COLLINS (Victoria) (14:59): Mr President, I ask a supplementary question. Will the Prime Minister continue to ignore the pleas of the Prime Minister he replaced and the defence minister he dumped, to restore Mr Dutton as a standing member of the National Security Committee of cabinet?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:59): I have nothing to add to my earlier answer.

Senator JACINTA COLLINS (Victoria) (14:59): Mr President, I ask a further supplementary question. Minister, why has Senator Sinodinos been appointed to the National Security Committee of cabinet ahead of Mr Dutton, and how broad is the Cabinet Secretary's portfolio?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:59): I have nothing to add to my earlier answer.

Defence: Regional Cooperation

Senator BACK (Western Australia) (14:59): My question is to the Minister for Defence, Senator Payne. Can the minister update the Senate on steps the government has taken to enhance Defence's international engagement within our region?

Senator PAYNE (New South Wales—Minister for Defence) (15:00): I particularly thank Senator Back for the question and for his interest in this area. I am very pleased to provide some information to the Senate, particularly given the quite dynamic changes in the Indo-Pacific region which we see now—the region becoming more complex, with economies growing considerably and global strategic weight continuing to shift towards the region.

We contribute to regional security and stability through our international defence engagement with both our neighbours and our partners right across the region. We conduct extensive programs of bilateral and multilateral defence cooperation in order to enhance the capacity of the ADF—in particular to work together with regional militaries in shared security challenges, often in humanitarian relief and in disaster assistance as well.

I recently had the opportunity to participate in a number of meetings with counterparts from across the Indo-Pacific region. That has enabled us to further enhance our defence
cooperation. Most recently, at the beginning of this month I attended our third ASEAN Defence Ministers' Meeting-Plus in Kuala Lumpur. This meeting brings together defence ministers from 18 regional countries to discuss security and defence cooperation and issues.

Since it was established in 2010, the ADMM-Plus has successfully fostered very practical military cooperation across a range of fields, including counter-terrorism, maritime security and, as I mentioned, humanitarian assistance and disaster relief. The activities, the workshops and the exercises go to building trust and confidence between regional militaries, in particular. They also go to creating greater opportunities for us to improve the interoperability of our defence forces, particularly in the event of regional crises or incidents of that nature.

With Singapore we are the co-convenors of the Counter-Terrorism Working Group in the ADMM-Plus. That is a very useful opportunity for us. (Time expired)

Senator BACK (Western Australia) (15:02): Mr President, I thank the minister for her answer and I ask a supplementary question. Can the minister provide further details of how the ASEAN Defence Ministers Meeting-Plus in Malaysia is helping to improve defence cooperation to build peace and stability in the region?

Senator PAYNE (New South Wales—Minister for Defence) (15:02): I started to refer to the counter-terrorism expert working group as part of ADMM-Plus, which we co-chair with Singapore. That is a very valuable opportunity for us to engage and to exercise in the region. There will be a significant undertaking in that regard in May next year across all the ADMM-Plus working groups, including the Counter-Terrorism Working Group.

On the weekend I met with my colleagues from Japan and have more information in relation to their engagement with ADMM-Plus. What this gives us is a really practical engagement and a very useful, local, regional approach to these issues, which otherwise would not be readily available.

Senator BACK (Western Australia) (15:03): Mr President, I ask a further supplementary question. Can the minister detail the benefits of the bilateral meetings with, respectively, ministers from Indonesia, Singapore and Japan?

Senator PAYNE (New South Wales—Minister for Defence) (15:03): Apart from the opportunity to show the defence minister, Minister Nakatani, the very impressive HMAS Canberra in Sydney on Sunday, it was a great opportunity to develop our defence relationship with Japan even further.

Of course, there are shared strategic interests and common alliances between Australia, Japan and the United States, in particular. Just last week, on 19 November, I met with the Singaporean defence minister, Dr Ng. The Singaporean Minister for Defence had visited Australia to observe some of the Singaporean troops taking part in an exercise in Northern Australia. We had already made comprehensive progress in strengthening our defence relationship when a strategic partnership was signed by prime ministers in June last year. This was a useful opportunity to follow that up and have that conversation.

The Indonesian Coordinating Minister for Political, Legal, and Security Affairs, who I understand the Attorney-General also met with, General Panjaitan, was also in Australia last week— (Time expired)

Senator Brandis: I ask that further questions be placed on the Notice Paper.
QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS
Western Australia: Bushfires

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (15:04): I have some further information for Senator Wang in relation to the question he asked me a short while ago, which has been provided by my colleague, Mr Keenan, the Minister for Justice, who has direct portfolio responsibility for this matter. It has been obtained by my agile and nimble advisers in the last half hour.

Senator Wang, I can tell you that yesterday The West Australian newspaper reported that the cost to the harvest in the affected areas will be approximately $150 million. That is obviously a very early estimate. As yet, there is no available costing of the cost to public infrastructure or the cost to private property other than that estimate of the cost to the harvest. We know that several homes have been destroyed, so there will obviously be a substantial cost to private assets, but until insurance claims have been lodged and loss assessors have been engaged to value the losses we will not be able to arrive at a precise estimate of the cost in terms of private and public assets. That $150 million figure for the cost to agriculture is the only published figure that is available to us.

I touched on this in the answer to your question, Senator Wang. The National Disaster Relief and Recovery Arrangements make provision for the Western Australian government to activate immediate recovery assistance to assist local government and communities to recover from these events. The operation of the NDRRA is by application made by the Western Australian state government. I am advised that the NDRRA has not yet been activated by the Western Australian government. The Commonwealth will continue to liaise with the Western Australian government regarding recovery assistance. We will seek to be responsive, subject to the guidelines, where we are able to be, and we will monitor the impact of these events.

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS
Economy

Senator O’NEILL (New South Wales) (15:07): I move:

That the Senate take note of the answers given by the Minister for Finance (Senator Cormann) and the Minister for Communications (Senator Fifield) to questions without notice asked by Senators Ketter and McLucas today relating to the economy and to the National Broadband Network.

I rise to take note of answers to questions asked by Senators Ketter and McLucas. I want to point to two of the words that we have heard throughout the week while we have been playing ‘nimble, agile’ bingo on this side of the chamber. This is a government that uses those words and they are going to have to practise being nimble and agile because they are dancing everywhere around the truth. They need to mind the gap between what they say here and the reality that Australians understand about this government. There is a massive credibility gap. This government cannot be believed. In anything it says, it completely distorts the truth—even in response to the first question. The GST has been very much brought to life as a conversation by a government that, once upon a time, said there would ‘never ever’ be a change to the 10 per cent GST—and now they have opened it up. ‘Everything is on the table’,...
they say outside this chamber. But we ask a question to the minister and he says, 'No, we're not talking about that'. Ten per cent, and up to 15 per cent, on all the things that people are already paying GST on and from zero to 15 per cent proposed for everything, including fresh food—what a devastating impact!

There is a credibility gap between what they say here and what they say outside the chamber. These guys simply are not capable of telling the truth. If we in anyway needed to have that backed up, it became even more evident when Senator Katter, my good colleague here beside me, asked directly: 'Is it true what was said yesterday by the Treasury deputy secretary—that Australia is now in for a prolonged period of below par growth the likes of which we have rarely seen outside a recession?' That is the direct quote that was in the question, that is the direct quote from the speech that was given and it is the direct quote from the two articles that reported it in the paper—by Mark Coulton, in The Australian, and by Peter Martin in The Sydney Morning Herald. But do you think the fact that it was on the public record in those three places would prevent the Minister for Finance, Senator Cormann, from actually telling the truth? No. He decided that he was ready to absolutely slander other people who are telling the truth about what was said yesterday. He said that that was not accurate. Well, it absolutely was accurate and the sad reality is that it is going to have a devastating impact on Australians right across the country.

As the deputy treasury secretary said, we are in fact in a prolonged period of below par growth, the likes of which we have rarely seen outside a recession—and it is attributable to the shameful economic action of this government. They are out there telling the community, as they have done for many decades, that they are great economic managers. But the reality is that growth is well below trend. It was predicted to be three per cent in May but the reality we now see is that it has been downgraded to 2.75 per cent. That is bad for Australia and it does bear out the second part of the question that my colleague asked, which was about the fact that Australians knew that we were not doing too well under the member for North Sydney, Joe Hockey, but we are going to do an awful lot worse under the new Treasurer, Mr Morrison, who is doing an appalling job from the record of these economic forecasts that were put forward yesterday.

Finally, in another gilding of the lily, the MTM, the multi-technology mix, as those opposite would have us call it, which is really being translated into a disaster right across this nation—

Senator Bilyk: 'Malcolm Turnbull's Mess'!

Senator O'NEILL: Indeed it is, Senator Bilyk. It is a disaster. It is a sell-out. They continue to tell the Australian people they are rolling out the NBN. They are rolling out an absolute mess! There is no ubiquitous delivery of the fair and equitable access to the future that a real NBN could deliver.

Questions were asked today by Senator McLucas about the HFC network possibilities. We know, from very early on, that this technology is completely inferior to fibre to the home; it is on a par with fibre to the node, and we have documented here the problems with that technology. There is a failure rate of 14 per cent—where it simply does not work. What we are seeing with the HFC rollout is another con, another sell-out, of the future technologies that Australia needs by this shameful government that has a massive credibility gap to bridge with the Australian people. We had a 17-year-old by the name of Kenneth Tsang provide a critique
of the contestability problems on the HFC network—a 17-year-old can see through the disgraceful implementation of an inequitable distribution of access to the future through the NBN! We are getting a Dodgy Brothers version of the NBN instead of a real one under a government that refuses to tell the truth. (Time expired)

Senator CANAVAN (Queensland—Nationals Whip in the Senate) (15:12): It is pretty obvious what the Labor Party are going for and strategising about at the moment. It is pretty obvious that they are on a 'GST' campaign—a 'Give Shorten a Try' scare campaign! That is what they are all about at the moment. And aren't people scared! They are scared out of their pants about the potential of giving Shorten a try at running this country—

The DEPUTY PRESIDENT: Senator Canavan, I have let you go on a couple of occasions but we will refer to members in the other place by their correct title.

Senator CANAVAN: Thank you, Mr Deputy President. I think people now understand what I am referring to. This GST campaign is scaring voters. They are extremely scared about the prospect of Mr Bill Shorten, from the other place, leading this nation. They are so scared that they have even settled on a number to estimate that particular scare—15 per cent. That is the number of people that now support the GST process that the Labor Party are putting forward. Fifteen per cent—that is what they have settled on. That is why we have heard that figure a lot from the Labor Party as well.

I think some of those on the other side are getting a bit worried that this particular GST scare campaign is not working. Putting forward Mr Bill Shorten as an alternative, as a distraction tactic, may not be the best strategy going forward. There is an alternative approach from the other side—and it is not a GST scare campaign but a 'VAT' scare campaign—'Vote for Albo Tomorrow!' That is the alternative for them—have another campaign and put in Mr Anthony Albanese. That is what a few of them are talking about at the moment. Their GST scare campaign is not working, so they are going to try another one on the Australian people and see if that works—a 'VAT' scare campaign. They are going to roll out that proposal. The only ideas the Labor Party are coming up with are about who should lead them. That is what they always talk about. That is what the last five years have all been about. It is about which leader, which union hack—which particular former trade union leader—they should put forward, to the Australian people, this time. That is what their real 'year of ideas' is going to end up about.

They are not talking about ideas for how we can grow our economy. They are not talking about ideas for how we can reform our tax system. They are not talking about ideas for how we can innovate and become more efficient. They are certainly not talking about ideas for how we can re-engage competition policy in this country. They are only focused on who will give them the best chance to save some of their seats, next year, at the election.

This government has a different approach. This government is focused on trying to make sure we promote strong economic growth in our country. We recognise it is difficult for the Australian economy, at the moment, because we have had a terms-of-trade boom that is ending and that, naturally—without any other influence—means lower per capita growth. In the last few years we have been experiencing higher economic growth just from getting higher prices, and those higher prices are not going to continue for us. Therefore, we need to look at other ways to energise our economy.
We are going to find new sources of economic growth and potential for creating jobs. We have been creating a good level of jobs over the last couple of years. It has been quite a strong labour market, which is positive, but it will become harder. As I said, the North Queensland Cowboys have done a terrific job, this year, in winning the premiership but it will be even harder for them, next year, to back up. That is the same process for our economic growth. We have done a terrific job in not having a recession, for 25 years, in this country—the second-longest period in economic history—but it is becoming harder to make sure we keep growing from that high base, as we have avoided a recession for so long.

That is why we need to have these difficult discussions on tax reform. That is why we have to think about how we can strengthen our innovation policy. That is also why we need to respond to the Harper review with stronger competition laws, with reform of health education and other sectors, to grow productivity and ensure a higher level of economic growth.

The reason we want that higher economic growth is not for growth in and of itself. It is not because we like seeing higher numbers in the budget every year. It is because only through that process can we make sure all Australians have the opportunity to have their own job or the confidence to start their own business, to get a loan from the bank to do so, to have the security to start their own family and make sure their own potential is fulfilled in this great nation of ours.

Senator KETTER (Queensland) (15:17): What a disappointing question time we had today. I draw my attention to the question I asked of Senator Cormann. The question was asked of Senator Cormann in relation to comments by Mr Nigel Ray, the deputy secretary of the Treasury. That question went to quite legitimate concerns in the community about the fact that we have had a prolonged period of below-par growth, the likes of which we have rarely seen outside of a recession.

Rather than dealing with the facts in that question, rather than tackling the issue head-on, Senator Cormann chose an intellectually bankrupt route for dealing with that question by simply saying, 'That is not what Mr Ray said.' I happen to have the speech given by Mr Ray to the Australian Business Economists Conference. It is titled: 'The Macroeconomic Context'. On page 4 of that speech, Mr Ray said:

This means Australia is now in a prolonged period of below-par growth, the likes of which we have rarely seen outside of a recession.

Senator Cormann is totally incorrect in making the comment. He missed the opportunity to address the real issue behind the question.

I will begin by talking about some of the facts, as we know them. Treasury has released a new forecast for the Australian economy, indicating that this year's growth will slow even further than anticipated from the projected three per cent to 2.75 per cent. Over the last financial year Australia's GDP growth fell to just 1.5 per cent, the lowest growth rate in 50 years. Assuming all other things remain unchanged, this downgrade will add around $50 billion to Treasury's budget deficit projections over 10 years. Treasury pointed out that the economy recorded its third straight year of below-trend growth in 2014-15. Unemployment remains high at around six per cent. Labour-market analysis reveals the so-called under-utilisation rate of labour—that is, a measure of underemployment in the workforce—has risen to 14 per cent. For our young people, it is double at over 30 per cent. Consumer sentiment as
measured by the Westpac-Melbourne Institute is nine per cent below where it was at the election.

The Turnbull government is failing us on many fronts. Firstly, we have a faltering economy that this government has no policies to fix. Secondly, we have a jobs crisis. Given the complete absence of any industry policy by this government, there is little evidence this is will change. We only need to think about the demise of the Australian car industry and associated loss of up of 200,000 jobs as evidence of this government's economic vandalism. At the same time, our economy is slowing: we have workers willing to work, but there is not enough work, not enough investment being undertaken to generate the jobs they require. Thirdly, we have the budget emergency, so-called. The No. 1 item this government was going to fix is getting worse, and the Turnbull government has no apparent solution for this. The budget deficit has doubled in just the last 12 months and here we are getting further away from fixing it.

The Abbott-Turnbull government has made every promise imaginable when it comes to the budget returning to surplus. Instead of an economy and budget getting back on track—as Senator Cormann always likes to say—we have 760,000 Australians out of a job and a budget deficit that has doubled in just the last 12 months. Instead of putting in place policies we need to kick-start the economy, accelerate investment and innovation, and grow our industries this government has, simply, elected to increase the GST by 50 per cent.

I would like to finish up by asking what purpose an increase in the GST would serve to kick-start our economy. Rather than injecting life into our economy, Mr Turnbull is going to slam those who can least afford it with another tax, and sit back and watch as our iconic local businesses disappear. The Turnbull government has not put forward a single policy that will tackle the poor, and slowing, performance of our economy, while at the same time we have a runaway budget that is out of control.

Senator BERNARDI (South Australia) (15:22): That was underwhelming, wasn't it! But nonetheless I will seek to respond to it. On behalf of those well-minded senators here I would like to apologise for that almost putting you to sleep there.

There are two keys to a strong economy. One is low taxation, and I am proud to say that I have always advocated for the lowering of taxation across the board in this country. I have fought tooth and nail against tax increases, because if we want to grow our economy and develop economic innovation we will cut the share of the pie that government takes. Ultimately, that will grow revenue to government. But that is not accepted by those on the other side, who want to continually put up taxes, whether it be the sin taxes for tobacco or alcohol, or whether it be the taxes on the hard-working people who go out to try to earn an honest and decent living.

The second part of growing an economy is innovation. This is where the other side have come unstuck. I would like to take you back to when Senator Conroy was communications minister. He decided to hop on a plane with Mr Kevin Rudd and on the back of a napkin he eeked out a $50 billion spend for the National Broadband Network, which he said would revolutionise the entire country. The real revolution is taking place outside of Senator Conroy's small mind and his grandiose projects. It is taking place in places like the University of Oxford, where they are getting 224 gigabits a second, in a laboratory environment, on the transfer of data. It is taking place in areas like Estonia, where start-ups have developed a new
technology called li-fi, which is getting one gigabyte per second in a commercial environment. Senator Conroy is tethered to the past. He is tethered to his utopian dream where the Conroy fibre network was going to be the solution to everything.

But we on this side of the chamber are open to innovation. We are open to a mix and range of technologies to deliver value for taxpayers' money, but also to embrace the latest technological innovations—the sorts of things that the Labor Party has had their mind closed to for successive generations. We know that those on the other side are adept at many things. We know they are adept at providing debit cards for these branchimations so that they can anonymously re-sign up. We know they are adept at flouting the systems of the union movement, and everything else, for personal gain. But what they are not very skilled at is responding to true innovation. They are still anchored in the past, whether it is tax policy, whether it is the embracing of new internet and broadband techniques and systems of delivery, whether it is examining taxation, or whether it is workplace relations. They are still boggled down in 1950s class war rhetoric, which belongs more to the Soviet Union than it does to a modern-day Australia.

It gives me no pleasure to say this, because some of the people on the other side are good people—they are. But they have been captured. It is the Stockholm Syndrome. Some of the more extreme elements of the Labor movement have captured them and they cannot break free, because to break free means that they would lose their cosy sinecures over there, where they can sleep through question time and uncork their lunches. It is just wrong.

At the risk of labouring the point—and there is no pun intended there—I would like to suggest that those on the other side should embrace innovation. They should embrace change. They should embrace the spirit that Australia needs to confront for its viable future—and that is to throw off the shackles of yesteryear. The dinosaurs on the other side need to embrace modernity, much like I have. It is about saying that we need to move forward. We have to reject the tired old politics of fear that they have been peddling for such a long time.

People are no longer buying what you are selling. That is why Mr Shorten is at 15 per cent, it is why the percentage of people in trade unions is less than 15 per cent, and it is why the innovation quotient on that side is much less. (Time expired)

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (15:27): Today is quite an extraordinary day. Today we have seen a document from the National Broadband Network Company that demonstrates once again the folly and the lies of those who have been peddling the NBN MTM. What we have seen today is a document showing that this government is so inept, so incompetent and so ideologically driven that they are prepared to buy a network from Optus that, today in question time, the minister said we are going to use. But, after Prime Minister Turnbull made nbn co buy it, what they have found is that it is 'not fit for use'.

There is a reason we were going to close it down—that is, because it was not fit for use. We knew it, Optus knew it, and the whole country knew it, but not Prime Minister Turnbull. He decided he knew better than all of the engineers and all of the experts in the country, and Optus today are laughing all the way to the bank.
Let us just check the scorecard, because we are regularly being told by this government what a great job it is doing. Let's check the score card of who is using the NBN today. Let me be the first to publicly out Senator Cory Bernardi, who has actually talked about his own NBN. He has the NBN, but he is not alone. Today, there are 610,000 users of the National Broadband Network on Labor's fibre network.

Let's compare that with after over two years in government: how many people are using Prime Minister Turnbull's network? Based on the last published figures, it is a grand total of 375. Six hundred and ten thousand are using Labor's network compared to, after two years and a billion dollars of wasted expenditure, 375 using the government's—Mr Turnbull's—network. So we have seen that this second-rate National Broadband Network is not meeting their election promises. They said it was going to cost $29 billion before this blow-out was exposed, and now it is going to cost $56 billion. Mr Turnbull said it would be rolled out in three years. Now it is going to be seven years before this cost and time blow-out are factored in. And Prime Minister Turnbull has no-one to blame but himself. Virtually every forecast that he has made on the NBN has been hopelessly wrong.

I want to go to the board of nbn co. Just recently, the board was asked to explain the difference for the board's approved strategic review, where the board decided that they had the information they needed to change the direction of the National Broadband Network. Based on the strategic review, this board made a decision to spend $56 billion—and more to come because of this cost blow-out and this time delay. When asked about this cost difference, Mr Morrow said, 'The strategic review did not have all the in-fill costs available to it.' That is a $15 billion blow-out, where the board of nbn co, the management of nbn co—and to be fair to Mr Morrow, he was not there—made a recommendation to shift to a $56 billion model without knowing the costs of the in-fill, the HFC or the FTTN.

Now we are getting all of this debacle coming home to roost. How could a board make a decision to switch to a $56 billion network without knowing the costs at the time? How could the CEO today say that the board members did not know the costs when the board made a decision to shift to a network that is now costing $56 billion? This board was one of political hacks! They were incompetent and they did not know what they were doing.

Question agreed to.

NOTICES

Presentation

Senator Lines to move:

That the following matter be referred to the Education and Employment References Committee for inquiry and report by 22 June 2016:

A review of major Australian resources projects, with a particular focus on oil and gas projects, including Gorgon and Wheatstone, to understand the following:

(a) the level of engagement of Australian business as suppliers;
(b) the effects on employment growth of local suppliers;
(c) whether the jobs promised by proponents were delivered, including commitments to Indigenous employment, apprenticeships, training and youth employment;
(d) the economic, environmental and social impacts on local communities;
(e) the oversight and evaluation of project performance, particularly in relation to employment outcomes; and

(f) any other relevant matters.

**Senator Di Natale** to move:

That the Senate—

(a) notes that 1 December 2015 marks the 54th anniversary of the raising of the Morning Star flag by the people of West Papua, a day celebrated as the unofficial day of Papuan independence;

(b) celebrates the long overdue release in November 2015 of West Papuan leader and political prisoner, Mr Filep Karma, who was convicted after leading a peaceful rally that included the raising of the Morning Star flag on 1 December 2004;

(c) calls on the Australian Government to express to the Indonesian Government the need for:

   (i) immediate amnesty and release of all remaining West Papuan political prisoners,

   (ii) free media access to be specified in a presidential directive that makes clear obligations of government ministries and security forces to ensure unobstructed foreign media access to West Papua, and

   (iii) free access for foreign researchers to West Papua; and

(d) affirms the right of the West Papuan people to self-determination, peace and security.

**Senator Rhiannon** to move:

That there be laid on the table by the Leader of the Government in the Senate, no later than 11 am on Wednesday, 3 February 2016, all documents (whether archived in paper or digital format) held by the Government in relation to any training since 2005 undertaken by public servants as preparation to appear before Senate estimates committees, including but not limited to:

(a) media or media awareness training documents or similar;

(b) performance or confidence training documents or similar;

(c) details of contracts, including for each contract the name of the department, dates of training, numbers of staff trained; name of training provider and costs of contracts;

(d) copies of related tender documents, including documents specifying training outcomes sought by departments;

(e) copies of each training program training schedule including, but not limited to, content and aims or outcomes of subjects or module or activities, such as role playing, performance skills, delivery and impression;

(f) examples of individual written reports, analyses of performances, DVDs or other feedback from such courses, with personal identifiers redacted;

(g) documents relating to any training provided by the company Media Manoeuvres and other training providers; and

(h) any other relevant document, memo or emails.

**Senators Carr, Rhiannon, Xenophon, Madigan, Lazarus and Lambie** to move:

That the following matters be referred to the Economics References Committee for inquiry and report by the last sitting day in June 2016:

(a) the future sustainability of Australia's strategically vital steel industry and its supply chain; and

(b) any other related matters.
Senator Smith to move:

That the Senate—

(a) notes:

(i) the intention of the Western Australian State Government to repeal its *Genetically Modified Crops Free Areas Act 2003*, which will remove the legislative framework put in place by the former Labor State Government that creates genetically-modified (GM) organism free areas within Western Australia,

(ii) that this policy decision has the united support of both the state's major farming organisations, the Pastoralists and Graziers Association of Western Australia and The Western Australian Farmers Federation, and

(iii) the large scale adoption of 'Round Up Ready' canola by Western Australian farmers following its introduction by the Western Australian Liberal-National State Government in 2009-10;

(b) supports the recommendations of both the 2006 statutory review of the *Gene Technology Act 2000*, and the 2011 *Review of the Gene Technology Act 2000* [report to the Department of Health and Ageing by the Allen Consulting Group], which noted that GM crops posed no adverse impact on markets, and concluded that state bans were having detrimental, rather than beneficial impacts; and

(c) condemns the Western Australian State Labor Party's anti-GM policy, including the reintroduction of a ban on cultivating GM crops if re-elected.

Senator Siewert to move:

That the Senate—

(a) notes:

(i) the ongoing conflict in Syria, which has led to over 250 000 deaths, and the fleeing of 4 million refugees, over half of whom are children, and

(ii) Australia's ongoing military involvement in Syria and Iraq, the scale of which is second only to the United States of America; and

(b) calls on the Government to:

(i) increase the intake of refugees from the Syrian crisis,

(ii) support legislation passed in the Senate that would remove children and their families from detention, and

(iii) de-escalate Australia's military presence in Syria and Iraq, and explore political, economic and diplomatic avenues that will work toward a peaceful settlement to the conflict.

Senator O'Neill to move:

That there be laid on the table by the Minister representing the Assistant Treasurer, Senator Cormann, no later than 3.30 pm on 30 November 2015, all documents recording contacts between:

(a) the Commonwealth and New South Wales State Government relating to the purchase or lease of the old Gosford Public School site on the Gosford waterfront; and

(b) the Commonwealth and the New South Wales State Government, Gosford City Council, the Central Coast Regional Development Corporation, the Doma Group and other tenderers relating to the proposed Australian Taxation Office building development in Gosford.

Senators Canavan, McKenzie and Williams to move:

That the Senate notes:

(a) agriculture, fisheries and forestry is one of the biggest employers in rural and regional communities, employing more than 300 000 people;
(b) Australia’s 135,000 farmers provide 93 per cent of the domestic food supply, and support an export market valued at A$43.5 billion in 2014-15;

(c) Australia’s stringent biosecurity system and best practice farm safety standards underpin our agricultural export strength and our reputation as a producer of some of the highest quality produce in the world; and

(d) acts of agri-terrorism, including a farmer’s right to say no to property invasions, illegal activism and the intentional spread of disease and/or pests have the potential to jeopardise Australia’s hard-won reputation for agricultural excellence, placing in danger the safety of activists, farmers and their families and the health of animals and crops.

Senators Lazarus and Lambie to move:

That the Senate—

(a) notes:
   (i) the Pension Loan Scheme is currently available on a voluntary basis to retirees, and has been in existence since 1985,
   (ii) that the scheme is not currently available for retirees on the full rate age pension, and
   (iii) the Parliamentary Budget Office has costed extending the scheme, which could unlock $2.8 billion of home equity to boost retirement incomes, at a cost of $23 million over the forward estimates, with a positive budget impact in later years; and

(b) calls on the Government to investigate extending the availability of the Pension Loan Scheme to Australians who receive the full age pension, and increasing the maximum payment rate under the scheme.

Senator Waters to move:

That the following matter be referred to the Economics References Committee for inquiry and report by 22 June 2016:

Disclosure and reporting on carbon risk, in regard to:

(a) current and emerging international carbon risk disclosure frameworks;

(b) current carbon risk disclosure practices within corporate Australia;

(c) the role of carbon risk disclosure within existing Australian corporate governance and financial reporting framework and barriers to carbon accounting;

(d) implications of a global agreement to limit global warming to 2 degrees or stabilise at 1.5 degrees for Australia’s financial system stability;

(e) Australian involvement in the G20 Financial Stability Board discussions on carbon risk impacts for financial stability;

(f) current regulatory and policy oversight of carbon risk disclosure across government agencies; and

(g) any other related matters.

Senator Waters to move:

That the Senate—

(a) notes:
   (i) that the 2015 United Nations Climate Change Conference to be held in Paris [COP 21] begins on Monday, 30 November 2015,
   (ii) calls by the President of Kiribati, Mr Anote Tong, and other leaders for a global moratorium on new coal mines,
calls in the Suva Declaration on Climate Change from the Pacific Islands Development Forum and the Port Moresby Declaration on Climate Change from the Smaller Island State Leaders' for an ambitious international agreement to keep global warming below 1.5 degrees Celsius,

(iv) calls from civil society for Australia to commit at least $400 million per year to international climate finance that will allow developing countries to adapt to climate change and build the low-carbon communities of the future, and

(v) that the Turnbull Government's pollution targets would keep Australia as the worst polluter per capita in the developed world by 2030; and

(b) calls on the Turnbull Government to:

(i) support a global agreement to stabilise global temperatures at 1.5 degrees by 2100,

(ii) raise Australia's weak and dangerous pollution reduction targets to meet this long-term goal,

(iii) support a global moratorium on new coal mines, and

(iv) commit at least $400 million per year for four years to international climate finance.

Withdrawal

Senator WILLIAMS (New South Wales) (15:33): I give notice of my intention at the giving of notices on the next sitting day to withdraw business of the Senate notice of motion No. 1 standing in my name for three sitting days after today for the disallowance of the Corporations Amendment (Financial Advice) Regulation 2015. Mr President, I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator WILLIAMS: The Regulations and Ordinances Committee has been making inquiries about a number of issues in relation to this instrument. Following correspondence with the Assistant Treasurer, the committee has concluded its examination of this matter. The committee's final report on the instrument is contained in Delegated Legislation Monitor No. 15 of 2015.

Senator XENOPHON (South Australia) (15:34): I ask that business of the Senate notice of motion No. 4 standing in my name and in the names of Senators Whish-Wilson, Lambie and Lazarus for today, proposing a reference to the Foreign Affairs, Defence and Trade References Committee relating to the powers and processes of the Foreign Investment Review Board, be withdrawn. Mr President, I seek leave to make a 20-second statement.

The PRESIDENT: Leave is granted for, I am sure, a minute.

Senator XENOPHON: I will not need that long. I indicate to all those people out there listening that this motion is being withdrawn as a result of an agreement with the opposition. There will be an alternative motion to deal with the matters of concern in relation to the port of Darwin lease to a foreign entity. It will be dealt with later in the course of motions being dealt with.

The PRESIDENT: Thank you, Senator Xenophon. That was 21 seconds!

Senator RHIANNON (New South Wales) (15:35): I ask that business of the Senate notice of motion No. 3 standing in my name for today, proposing a reference to the Foreign Affairs, Defence and Trade References Committee relating to contamination issues on and around RAAF Base Williamtown, be withdrawn.
BUSINESS
Leave of Absence

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (15:35): by leave—I move:
That leave of absence be granted to Senator Fawcett for 25 and 26 November 2015, for personal reasons.
Question agreed to.

NOTICES
Postponement

The following items of business were postponed:


COMMITTEES
Economics 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—forestry managed investment schemes—extended from 26 November to 16 December 2015.

The PRESIDENT (15:36): Does any senator wish to have that question put? There being none, I shall now proceed to the discovery of formal business.

Reference

Senator WHISH-WILSON (Tasmania) (15:36): I move:

That the following matter be referred to the Economics References Committee for inquiry and report by 27 July 2016:

The inconsistencies and inadequacies of current criminal, civil and administrative penalties for corporate and financial misconduct or white-collar crime, with particular reference to:
(a) evidentiary standards across various acts and instruments;
(b) the use and duration of custodial sentences;
(c) the use and duration of banning orders;
(d) the value of fine and other monetary penalties, particularly in proportion to the amount of wrongful gains;
(e) the availability and use of mechanisms to recover wrongful gains;
(f) penalties used in other countries, particularly members of the Organisation for Economic Co-operation and Development [OECD]; and
(g) any other relevant matters.

Question agreed to.
Finance and Public Administration References Committee
Reference

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (15:37): I move:

That the following matters be referred to the Finance and Public Administration References Committee for inquiry and report by 24 August 2016:

(a) the role of gender inequality in all spheres of life in contributing to the prevalence of domestic violence;
(b) the role of gender stereotypes in contributing to cultural conditions which support domestic violence, including, but not limited to, messages conveyed to children and young people in:
   (i) the marketing of toys and other products,
   (ii) education, and
   (iii) entertainment;
(c) the role of government initiatives at every level in addressing the underlying causes of domestic violence, including the commitments under, or related to, the National Plan to Reduce Violence against Women and their Children; and
(d) any other related matters.

Question agreed to.

BILLS

Family Law Amendment (Financial Agreements and Other Measures) Bill 2015
First Reading

Senator RYAN (Victoria—Assistant Cabinet Secretary) (15:38): On behalf of Senator Brandis I move:

That the following bill be introduced: A Bill for an Act to amend family law, and for related purposes.

Question agreed to.

Senator RYAN: I present the bill and move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator RYAN (Victoria—Assistant Cabinet Secretary) (15:39): I table the explanatory memorandum relating to the bill and 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 Family Law Amendment (Financial Agreements and Other Measures) Bill will improve the operation of the financial agreements regime, strengthen laws against international parental child
abduction, improve the operation of the family law courts and will also amend the Family Law Act 1975 to enhance protections for victims of family violence.

**Family violence measures**

Today is the International Day for the Elimination of Violence against Women. It is therefore timely to note that this Bill contains measures that will improve the family law system's response to family violence.

Family violence is a serious social issue that affects the health and well-being of thousands of Australians and has far-reaching effects on the Australian community as a whole. It is the Government's firm view that family violence and child abuse are unacceptable and require an urgent response.

Measures in this Bill will enable state or territory courts making an interim family violence protection order to suspend or vary existing parenting orders until either a time specified by the court, or another court order is made. Currently, such suspension or variation expires after 21 days. This has the potential to put at renewed risk those who have been affected by family violence.

This amendment represents the first step in responding to the recommendations of the Family Law Council's Interim report on Families with Complex Needs and the Intersection of the Family Law and Child Protection Systems and is consistent with a similar recommendation made by Victorian State Coroner, Judge Ian L Gray, in the inquest into the death of Luke Batty.

Other measures in this Bill will strengthen courts' powers to dismiss applications that are unfounded, an abuse of process, frivolous or vexatious. This will assist in ensuring that the family law system is not used as a mechanism to perpetuate abuse.

**Financial agreement measures**

A key aspect of this Bill are amendments to the family law system's financial agreement regime to better enable families to resolve family law disputes outside of the courtroom.

Binding Financial Agreements are out-of-court, private agreements between people that outline how property and other financial matters will be dealt with in the event of the breakdown of a marriage or de facto relationship. Enabling separating couples to reach their own agreements allows them to take responsibility for, and provides them with certainty about, their own financial affairs. However, recent cases have created uncertainty surrounding the finality of Binding Financial Agreements.

Measures in this Bill will resolve uncertainties around requirements for entering into, interpreting and enforcing agreements. Provisions in this Bill will also make changes to the coverage of spousal maintenance matters in agreements, introduce a statement of principles to outline their binding nature, and reinforce the binding nature of the agreements to offer certainty to parties.

These measures are intended to ensure that prospective, current or former parties to a marriage, or a de facto relationship, can take responsibility for resolving their financial and maintenance matters with certainty, without involving a court.

**Parental child abduction measures**

Measures in this Bill will strengthen Australia's laws against international parental child abduction by introducing new offences relating to the wrongful retention of a child overseas. This is consistent with Australia's obligations under the Hague Convention on the Civil Aspects of International Child Abduction (the Hague Convention).

Amendments will also extend the location order provisions in the Act so that anyone, including the Commonwealth, State and Territory Central Authorities, can, for the purpose of the Hague Convention, apply for an order to locate children wrongfully removed from, or retained outside, Australia.

**Operation of the courts**

Measures in this Bill are designed to improve the operation and efficiency of the family law courts.
Notably, this Bill will modernise the arrest powers provided by the Family Law Act.

The existing arrest powers in the Family Law Act are broad, and lack significant mechanisms to guide arresters on the appropriate boundaries of their power. This amendment will add appropriate safeguards, consistent with the approach adopted for the other federal courts, and in the Crimes Act.

For example, while currently the court may authorise any person to make an arrest and in doing so, authorise the person to use reasonable force and enter premises, these amendments will explicitly restrict the categories of persons who may exercise powers under the arrest provisions.

Technical and minor amendments

Technical and minor amendments will improve the operation of the Family Law Act, including by correcting technical defects, ensuring consistent language and removing redundant provisions.

Conclusion

The measures in this Bill will enhance the capacity of the family law system to address emerging issues identified by the Government in its partnership with the family law sector. In particular, the amendments will enable courts to offer better protection to victims of family violence and greater clarity to separating couples attempting to resolve disputes out of court.

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

MOTIONS

Asbestos Awareness Week

Senator SINGH (Tasmania) (15:40): I, and also on behalf of Senator Xenophon, move:

That the Senate—

(a) notes:

(i) that 23 November to 27 November 2015 is Asbestos Awareness Week,

(ii) the success of the Second International Conference on Asbestos Awareness and Management hosted by the Asbestos Safety and Eradication Agency in Brisbane from 22 November to 24 November 2015,

(iii) that mesothelioma is a cancer generally caused by exposure to asbestos fibres,

(iv) that Australia has one of the highest rates of mesothelioma in the world,

(v) that as many as 40 000 Australians will be diagnosed with asbestos-related injuries in the next 20 years, and

(vi) that recently Australians have been exposed to a wide range of imported goods and materials containing asbestos that have not been detected by our customs services, including fibre cement sheets and children’s crayons;

(b) supports the Asbestos Awareness Month 2015 national campaign which aims to inform homeowners, renovators, tradespeople and handymen about the dangers of asbestos in and around homes and how to manage it safely; and

(c) urges Australians with questions to visit www.asbestosawareness.com.au.

I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator SINGH: This week is Asbestos Awareness Week, yet James Hardie is reducing its support for asbestos victims, which is both unjustified and immoral. The company’s interim profit statement shows that its contributions to the Asbestos Injuries Compensation
Fund were slashed by 44 per cent last financial year. That is despite Hardie's interim profits increasing by 22 per cent to more than $260 million. James Hardie must immediately step up to ensure that the Asbestos Injuries Compensation Fund is properly funded. Having the compensation fund run dry while Hardie's profits soar is a slap in the face to its victims. Australia has some of the highest rates of asbestos cancer—mesothelioma—in the world.

Question agreed to.

**Trade with Israel**

**Senator DAY** (South Australia) (15:41): I move:

That the Senate—

(a) acknowledges the Turnbull Government's renewed focus on innovation and improved commercialisation of research;

(b) welcomes the recent Australian delegations to Israel, including a delegation with the Assistant Minister for Innovation (Mr Roy), to support innovation-related trade with Israel;

(c) notes that the 2015 Bloomberg Global Innovation index:

(i) ranked Israel 5th overall ahead of the United States of America (US) in 6th and Australia in 13th place, and

(ii) shows Australia now has free trade agreements with the 1st (Japan), 2nd (South Korea), 6th (US) and 8th (Singapore) ranked nations;

(d) recognises that the European Union, the US, Canada, Mexico, Colombia and Turkey have direct free trade agreements with Israel; and

(e) calls on the Australian Government to explore the feasibility of initiating negotiations with Israel towards a free trade agreement.

I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

**Senator DAY:** I am a strong supporter of Israel. Its unique circumstances force it to be innovative. Our nations have many things in common, as I outlined in my question today. Israel is the next big thing in the entrepreneurial start-up space. We should embrace the great innovating nation of Israel.

**Senator RYAN** (Victoria—Assistant Cabinet Secretary) (15:42): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

**Senator RYAN:** While Israel is not part of the government's current FTA work program, it is an interesting point that the senator raises. Israel is of course a firm friend of Australia. The government is already pursuing an ambitious trade agenda. In the past year the government has concluded FTA negotiations with three key partners—Korea, Japan and China—as well as the 12 countries of the Trans-Pacific Partnership. We are also progressing negotiations towards the Regional Comprehensive Economic Partnership and a bilateral free trade agreement with India.

The government considers a range of factors when determining whether to pursue a bilateral free trade agreement. Australia seeks to conclude FTAs with partners that have shared interests and FTAs that are high-quality and comprehensive, are genuinely trade-liberalising and advance our broader objectives, including at the multilateral level and the
WTO. The government also considers the opportunity for Australian exporters and investors to secure commercial benefits.

Israel was Australia's 43rd-ranked bilateral trading partner in 2014, with total merchandise trade of $961 million. Despite the modest trade flows, bilateral engagement and business links remain vibrant, with significant interest in the innovation and technology sectors. In this context I note that the Israeli Chief Scientist, Avi Hasson, is in Australia this week for an exchange of views and perspectives. *(Time expired)*

**The PRESIDENT:** The question is that the motion moved by Senator Day be agreed to. Question agreed to.

**Community Radio 4ZZZ FM**

Senator MOORE (Queensland) (15:43): I, and also on behalf of Senator Waters, move:

That the Senate—

(a) notes:

(i) that 8 December 2015 is the 40th anniversary of the first official broadcast of community radio station 4ZZZ-FM from studios at the University of Queensland,

(ii) that 4ZZZ was the first FM stereo radio station in Queensland, the first community broadcaster in Australia with journalists accredited by the then Australian Journalists Association, and the first mass-audience format community broadcaster in Australia,

(iii) that 4ZZZ has provided, and continues to provide, an important means of exposure for many Brisbane musicians and artists and an important independent local outlet for information and news, and

(iv) the opinion of the hugely influential and prolific Brisbane musician, Mr Ed Keupper, that 'the importance of 4ZZZ in the development of an independent music and arts scene in Brisbane cannot be overstated';

(b) congratulates all those involved in establishing and maintaining this pioneering community-based radio station now broadcasting from studios in Fortitude Valley in Brisbane; and

(c) expresses support for the ongoing development of community broadcasting in Australia as an important component in ensuring the community has access to a diverse and adequate range of information and entertainment.

Question agreed to.

**COMMITTEES**

**Australian Commission for Law Enforcement Integrity Committee**

**Meeting**

Senator McEWEN (South Australia—Opposition Whip in the Senate) (15:44): At the request of Senator Bilyk I move:

That the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity be authorised to hold private meetings otherwise than in accordance with standing order 33(1), during the sittings of the Senate, from 10 am, as follows:

(a) Thursday, 4 February 2016, followed by a public hearing;

(b) Thursday, 25 February 2016; and

(c) Thursday, 17 March 2016.

Question agreed to.
MOTIONS

Western Australia: Bushfires

Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (15:44): I, and also on behalf of Senators Cormann, Cash, Back, Johnston, Reynolds, Sterle, Ludlam, Bullock, Lines, Siewert and Wang, move:

That the Senate—

(a) notes the devastating bushfires that swept through the Salmon Gums, Scadden, Grass Patch, Merivale and Norseman areas north of Esperance, Western Australia, in the week beginning 15 November 2015, were the State's worst bushfires in more than 50 years;

(b) acknowledges the determined efforts of the more than 200 volunteer firefighters, Fire and Emergency Services Authority personnel, State Emergency Services volunteers, and pastoralists and farmers who sought to save as many properties as possible;

(c) expresses its sincere regret at:

(i) the tragic death of Scadden farmer, Mr Kym Curnow, who lost his life after bravely making sure homes were being evacuated and turning back vehicles, and

(ii) the tragic deaths of European workers, Ms Anna Winther (29) from Norway, Ms Julia Kohrs-Lichte (19) from Germany, and Mr Thomas Butcher (31) from England, who died trying to flee the fire; and

(d) extends its sympathy to the family and friends of the deceased.

Question agreed to.

National Disability Insurance Scheme

Senator SIEWERT (Western Australia—Australian Greens Whip) (15:45): I move:

That the Senate—

(a) notes:

(i) the suggestions by the Treasurer (Mr Morrison) that cuts may have to be made in the welfare system to pay for the National Disability Insurance Scheme, and

(ii) those on income support have disproportionately borne the burden of two cruel budgets; and

(b) calls on the Government to:

(i) keep their pre-election commitment to 'deliver the NDIS' but not at the expense of people on income support, and

(ii) cease their relentless attack on our social security safety net.

Senator RYAN (Victoria—Assistant Cabinet Secretary) (15:45): I seek leave to make a short statement.

Leave granted for one minute.

Senator RYAN: The government does not support this motion. The reality is that our social services bill represents about one-third of the Commonwealth budget and it is growing faster than any other area of government. We believe in a strong safety net for Australians, but part of that strength is its sustainability. For the system to be fair, welfare payments need to be carefully targeted and paid to those who need them most, including participants of the NDIS. In each and every budget, the coalition has fulfilled its election commitment to fully fund the NDIS by 2019-20. However, increasing the Medicare levy will cover less than 30 per cent of the $11.5 billion required by the Commonwealth to pay for its share of the NDIS.
Combined with other existing disability spending, this leaves a $5.2 billion funding gap. In other words, little more than half of the Commonwealth’s ongoing contribution to the NDIS was funded. The government is working to fund the NDIS in a sustainable way that does not require borrowings and that would not need to be paid back by future generations of taxpayers.

Question agreed to.

Domestic and Family Violence

Senator MOORE (Queensland) (15:46): I, and also on behalf of Senators Cash, Lines and Waters, move:

That the Senate—

(a) notes that 25 November:

(i) is the International Day for Elimination of Violence Against Women, which is also White Ribbon Day, and

(ii) marks the start of the United Nations, 16 Days of Activism against Gender-Based Violence Campaign, a time to galvanize action to end violence against women and girls around the world, leading to 10 December, Human Rights Day;

(b) recognises that the White Ribbon campaign is a national male-led campaign to end men’s violence against women and is now active in over 60 countries around the world;

(c) acknowledges that:

(i) one in three women in Australia have been physically attacked in their lifetimes, and these attacks are most likely to have been in the women’s own home,

(ii) across the world, violence against women and girls remains one of the most serious and the most tolerated human rights violations, both a cause and a consequence of gender inequality and discrimination,

(iii) prevention strategies have a proven effect on levels of violence and if we engage the whole community in prevention and give them skills for respectful relationships, we will reduce the costs associated with violence, and

(iv) social policy initiatives and law reform addressing gender inequality are central to reducing attitudes that support violence against women; and

(d) reinforces the need for cross party support at all levels of government in the response to end the scourge of family violence.

Question agreed to.

NOTICES

Postponement

Senator McEWEN (South Australia—Opposition Whip in the Senate) (15:47): by leave—I move:

That business of the Senate notice of motion No. 6 standing in the name of Senator Conroy for today, proposing a reference to the Foreign Affairs, Defence and Trade References Committee, be postponed till the next day of sitting.

Question agreed to.
COMMITTEES

Economics References Committee

Reference

Senator McEWEN (South Australia—Opposition Whip in the Senate) (15:47): At the request of Senators Conroy, Xenophon, Whish-Wilson, Lambie and Lazarus, I move:

That the following matter be referred to the Economics References Committee for inquiry and report by 4 February 2016:

An examination of the foreign investment review framework, including powers and processes of the Foreign Investment Review Board, in relation to Australian assets of strategic or national significance being subject to lease or purchase by foreign owned interests, and whether there ought to be any legislative or regulatory changes to that framework to ensure Australia’s national interest is being adequately considered, with particular reference to:

(a) the decision by the Northern Territory Government to grant a 99-year-lease over the Port of Darwin to Landbridge Group;
(b) the planned lease by the New South Wales Government of TransGrid;
(c) the decision by the Treasurer to block the sale of S Kidman and Co on national interest grounds; and
(d) any other related matters.

Senator RYAN (Victoria—Assistant Cabinet Secretary) (15:48): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator RYAN: The government opposes this motion. The government is confident that due processes set by the existing foreign investment framework has been followed with respect to recent significant transactions involving foreign investors. In respect of these transactions we are confident relevant agency consultation has occurred. The coalition is acutely aware of the sensitivities regarding foreign investment, strategic national assets and critical infrastructure. The government is assessing options to strengthen the federal government’s ability to protect the national interest in these cases and will have more to say on this issue in the future. The government is already consulting with the states and territories to remove this exemption that has existed since the 1970s. Labor never looked at reforming the FIRB legislation or sought to bring these types of transactions within the FIRB review net. The government has also just passed significant legislation which increases the government’s powers on foreign investment, particularly around ensuring that FIRB has the resources, capability and legislative framework to ensure that foreign investment is achieved on terms that are not contrary to our national interest.

A division having been called and the bells being rung—

Senator Ryan: I seek to cancel the division.

The PRESIDENT: As there is no objection from the Senate, the division is so cancelled. Question agreed to.
MOTIONS

East West Link

Senator MUIR (Victoria) (15:50): I move:

That the Senate—

(a) notes that:

(i) there is a political stalemate between the Federal Government and the Victorian State Government in relation to the East West Link,

(ii) there is approximately $1.5 billion in unspent allocations to the East West Link,

(iii) evidence presented to the Rural and Regional Affairs and Transport References Committee inquiry into aspects of road safety in Australia by the National Rural Health Alliance demonstrated that those who live outside the major cities make up 30 per cent of the population and 52 per cent of deaths due to land transport accidents,

(iv) rural roads play a vital role in putting food on city tables and bringing resources to urban areas,

(v) the annual economic cost of road crashes in Australia is enormous—estimated at $27 billion per annum—and the social impacts are devastating,

(vi) many rural roads are in dangerously poor condition and in desperate need of repair,

(vii) some local councils in Victoria do not have the necessary funding to fully maintain the extensive road networks in their electorate due to proposed rate caps and the federal freeze in financial assistance grants,

(viii) a life in rural and regional Australia is just as important as a life in urban Australia,

(ix) until there is a change of Victorian State Government or a change in Federal Government, a resolution to the East West Link is unlikely, and

(x) there is a strong need in Victoria to invest in rail and road infrastructure in order to ease congestion and improve productivity into the future; and

(b) calls on the Government to withdraw the allocation of federal funding set aside for East West Link and to reallocate this funding to projects to improve rural road infrastructure.

I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator MUIR: At the time of writing this motion there was a significant stalemate between the Victorian state government and the federal government in relation to the $1.5 billion unspent allocations for the East West Link. I understand that in recent time there has been some conversations between the parties but no outcome as of yet. My motion acknowledges that only 30 per cent of the population lives in rural and regional Australia yet over 50 per cent of road fatalities occur in these areas. It was my intention to encourage all sides of government to consider the increasingly poor conditions of rural roads and the subsequent fatality rate and to spend the unspent allocations on upgrading rural roads, where the funding is desperately needed for safety reasons, not just congestion.

I acknowledge the federal Black Spot Program and Roads to Recovery program and note the increased allocations of funding over coming years. However, the need to repair many rural roads is more immediate. I had encouraged the public to send in pictures of damaged rural roads to visually highlight the issue. There is a large amount of interest, and I am still receiving them. I will continue to collect these pictures and will table them at a later date.
Senator RYAN (Victoria—Assistant Cabinet Secretary) (15:51): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator RYAN: The coalition government notes Senator Muir's ongoing interest in funding for regional roads. As Senator Muir would be aware, the coalition government is funding regional road upgrades not only in his home state and my home state of Victoria but right across Australia. In fact, the coalition government is spending $210 million to help the Victorian government duplicate the Princes Highway East between Traralgon and the regional town of Sale, where Senator Muir has his electorate office.

On top of this, the coalition government is also providing $500 million to duplicate the Western Highway and more than $180 million to duplicate the Princes Highway West—both projects, again, located in regional Victoria. These projects are in addition to the coalition government's funding commitments in the current Infrastructure Investment program, which include $3.2 billion for Roads to Recovery, $500 million for the Black Spot Program, $300 million for the Bridges Renewal Program and $230 million for the National Highway Upgrade Program.

The coalition government's preference is for funding which was previously set aside for the East West Link to be used on other transport projects already agreed to within Victoria, including those in regional areas rather than be dormant in a Victorian bank account.

Senator RICE (Victoria) (15:52): Mr President, I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator RICE: The Greens recognise the vital importance of making our regional roads safer, but we will not be supporting this motion because we do not believe that the full Commonwealth commitment to the East West Link should go to rural roads. The East West Link was a debacle and it is one that we are glad to have behind us. The Greens are committed to road safety and we acknowledge the trauma that regional and rural communities suffer as the road toll disproportionately affects those who live outside our major cities.

We want to see a strong Commonwealth commitment to rural and regional roads so that we can bring down the road toll in regional Australia. However, we do not support the proposal that the full lot of Commonwealth funding for the dead and buried East West Link should go entirely to rural roads. The Commonwealth money should be redirected to cost-effective infrastructure that is built in the public interest. The $3 billion commitment should be returned to the Melbourne Metro Rail project to begin to unclog our congested city and reduce our car dependence. We commend Senator Muir's commitment to rural road safety and look forward to working further with him on this issue.

Senator MOORE (Queensland) (15:53): Short statements are always dangerous.

The PRESIDENT: You are seeking leave?

Senator MOORE: I am seeking leave to make a short statement.

The PRESIDENT: It is granted for one minute.

Senator MOORE: Thank you. Labor agrees with the core premise of Senator Muir's motion, especially the point about the cost of road trauma and death. Labor notes that more deaths per population occur in rural areas. Federal Labor invested record amounts to improve
road and rail transport and there are several ongoing projects in rural Victoria, including the Western Highway and the Princes Highway and new projects to be funded under the boost to Roads to Recovery funding initiated by the opposition. Labor also spent $3.2 billion on the Regional Rail Link. Labor believes the East West funding should be spent on road and rail projects in Victoria. Whilst specifying roads, the motion does not specify rail or that the funding should go to Victoria. For this reason, Labor cannot support the motion as worded.

The PRESIDENT: The question is that notice of motion No. 914 moved by Senator Muir be agreed to.

The Senate divided. [15:59]
(The President—Senator Parry)

Ayes ..................... 33
Noes ..................... 29
Majority .............. 4

AYES
Abetz, E
Bernardi, C
Bushby, DC (teller)
Colbeck, R
Edwards, S
Fifield, MP
Johnston, D
Lindgren, JM
Madigan, JJ
McKenzie, B
Nash, F
Payne, MA
Ronaldson, M
Ryan, SM
Seselja, Z
Wang, Z
Xenophon, N

Back, CJ
Birmingham, SJ
Canavan, MJ
Day, RJ
Fierravanti-Wells, C
Heffernan, W
Lazarus, GP
Macdonald, ID
McGrath, J
Muir, R
Parry, S
Reynolds, L
Ruston, A
Scullion, NG
Smith, D
Williams, JR

NOES
Bilyk, CL
Bullock, JW
Collins, JMA
Di Natale, R
Gallagher, KR
Ketter, CR
Ludwig, JW
McEwen, A (teller)
McLucas, J
O'Neil, DM
Rhiannon, L
Siewert, R
Singh, LM
Urquhart, AE
Whish-Wilson, PS

Brown, CL
Cameron, DN
Dastyari, S
Gallacher, AM
Hanson-Young, SC
Ludlam, S
McAllister, J
McKim, NJ
Moore, CM
Policy, H
Rice, J
Simms, RA
Sterle, G
Waters, LJ
Question agreed to.

Cambodia

The PRESIDENT (16:01): I advise senators that we have one further notice of motion to deal with, which may involve a division.

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (16:01): I am hoping that no division will be necessary, Mr President. I ask that general business notice of motion No. 956 standing in my name for today, which relates to some rather nasty political developments in Cambodia, be taken as a formal motion.

The PRESIDENT: Is there any objection to this motion being taken as formal?

Senator Ryan: Yes.

The PRESIDENT: There is an objection.

Senator LUDLAM: I seek leave to make a brief statement.

The PRESIDENT: Leave is granted for one minute.

Senator LUDLAM: Thank you. I am not sure whether Senator Ryan is shortly going to give us a condescending lecture about not debating foreign policy matters using formal motions. However, we will leave that to Senator Ryan. In recent days, actually, the Senate has passed unanimously a number of motions on foreign policy issues, and I was about to congratulate the government on this new approach. I do not see why the government would be unable to pass a fairly simple Senate resolution today calling on the Cambodian government, in strong terms, to revoke the arrest warrant issued against opposition leader Mr Sam Rainsy. These are people who are political figures and have been arrested and had their parliamentary entitlements and privileges stripped, and it is an extremely bad sign for democracy in Cambodia. I would have thought a unanimous resolution to that effect by this Senate would be something very productive. The United States Department of State has issued very strongly worded statements to that effect. (Time expired)

Senator RYAN (Victoria—Assistant Cabinet Secretary) (16:03): Seeking to fulfil part of Senator Ludlam's wish, I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator RYAN: The government is concerned that the Cambodian opposition leader, Mr Sam Rainsy, has had an arrest warrant issued against him in relation to a 2008 defamation case and has been removed from his parliamentary position, and by recent actions against opposition parliamentarians. Australia's Ambassador to Cambodia has raised our concerns
with the Cambodian government, and our embassy in Phnom Penh continues to monitor the situation closely.

The government does not, however, believe it is appropriate or productive to use the parliament as a platform for statements that might be interpreted as interfering with Cambodia's right to determine its own judicial processes. We will continue to pursue these issues through private discussions with the Cambodian government. We support the United Nations Secretary-General in urging the Cambodian People's Party and the Cambodia National Rescue Party to return to democratic dialogue free from fear of arrest or persecution.

MATTERS OF PUBLIC IMPORTANCE

Road Infrastructure

The PRESIDENT (16:04): I inform the Senate that at 8.30 am today Senators Siewert and Leyonhjelm each submitted a letter in accordance with standing order 75 proposing a matter of public importance. The question of which proposal would be submitted to the Senate was determined by lot. As a result, I inform the Senate that the following letter has been received from Senator Siewert.

Dear Mr President

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

The chaos, lack of transparency and waste surrounding the Abbott-Turnbull Government's outdated urban freeway projects including the Perth Freight Link, East West Link, and WestConnex.

Is the proposal supported?

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

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

Senator STERLE (Western Australia) (16:04): I wish to make a contribution on what is now termed the Perth Freight Link, but I think there is a little bit of a history lesson that would not hurt those listening in. Perth's major port is the port of Fremantle, and it is no secret, Australia being an island nation, that there are hundreds of thousands of containers that come through the Fremantle port each year. Our major warehousing and distribution centre is the area of Kewdale and Welshpool. We also have up there our international airport, and we also have our domestic airport. Over the years since the Howard government, the domestic airport is now also a major warehousing facility.

For years we have had a patchwork system in our state where we have chucked in traffic lights every time a footpath crosses a road. We used to have this road called High Street when I was a young fellow living in Fremantle, before I moved out to Perth's eastern suburbs, to a place called Langford. Let me tell the eastern staters: when you move out to Perth's eastern suburbs, you are not progressing up the social ladder, I can tell you. It was always going to be the freight link, so to speak, between the port, our warehousing and distribution centres, and our major transport centres. This also is the doorway, as Senator Back and other colleagues from WA would know, to the resource-rich north-west. This major freight corridor has, over

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the years, carted millions and millions and millions of tonnes between Perth, the port, Kewdale and Welshpool and through to our northern areas, the Pilbara and the Kimberley. I spent 12 of my years running freight up and down that link.

But over the years it has just got ridiculous, and the Leach Highway is probably one of the worst highways in this country. I have said this on a number of occasions: whoever thought whacking traffic lights onto the Leach Highway and having two lanes each way over the Shelley Bridge, being four lanes—well, they actually merge, three into two—was a good idea, and whoever thought we had to have bus lanes running off and that it was a fantastic idea to bring in B-doubles and pocket road trains climbing Stock Road Hill, with up to 68 tonnes of freight, and to integrate general traffic, cars and people taking their kids to school, seriously should have been taken out the back and whacked around the ears.

So what we have got is an absolute disaster, but it has got even worse because successive governments over the years have done a lot of talking about how we are going to combat or face or approach our transport task doubling by 2020. In my previous life, it was not a secret. We all knew—those of us who were in the transport game all knew—our freight task was going to double, but no-one had the nous to think, 'Hang on, we'd better do something.' There is also live export out of our port of Fremantle. Just about everything comes in and out of Fremantle except fuel and fertiliser. Our port will be at capacity in somewhere between eight and 12 years—there are a few different figures around—but we still have this goat track called the Leach Highway. We need another port, and there is no secret. I do not think there is a Western Australian who would argue. We have to have the outer harbour. The outer harbour would be down at Kwinana, some 25 or 30 kays south of Perth, south of Fremantle, and we need a freight route to get to it.

We actually have to face facts: freight has to move. We cannot just put it in bloody balloons and float it around the suburbs. And do not worry, Mr Acting Deputy President; I actually saw something. Someone went to Germany to see some proposal about how you could airlift freight in balloons so you were not clogging roads. This is the mentality of some of the people we have had in Western Australia.

But what has made it worse? No-one has done a damn thing. We found out back in about 2014, not long after the election of the Abbott government. An announcement came out, with a freshly minted government and some freshly minted ministers, that the Perth Freight Link would be built. Those of us who have been around for a long time knew what the eastern bypass was, and we know the history behind the Fremantle eastern bypass and why it did not go ahead. We know that. So we had to find out: what was this Perth Freight Link? It was, in a nutshell—others will add to this—to upgrade that freight route I was talking about, the Leach Highway, that disastrous piece of infrastructure, to turn it into a major truck route. I do not know where all the cars are going to go, but they will probably stay on the Leach Highway, and that is their penalty. It also would be a toll road—and we were told we would never have toll roads. But it is a number of stages, Roe 8 and 9.

What it virtually boiled down to was that the federal government had a photo opportunity. I think there was newly minted Minister Cormann, as a senior Western Australian member of the government, and I think Minister Johnston was there as well. I think Assistant Minister Briggs was there announcing that just under a billion federal dollars was going to be spent in Western Australia doing up this freight route, and the state government—which really looked
like the rabbit in the spotlight—would have to find the other $600 million, $700 million or whatever it was. To cut a long story short, it was going to be a $1.6 billion upgrade to move freight along.

So, bearing in mind that the government in Perth has lost its AAA credit rating, we also have the Perth-Darwin highway, which I have been absolutely 100 per cent behind from day one. That is a vital piece of infrastructure that we need. Plus there have been a few announcements in the last couple of elections about a Forrestfield rail line, but unfortunately the government over there says a lot of things during elections and then finds more excuses than a pregnant nun for why it cannot do it. I might withdraw that. This does wind me up. I withdraw that.

The ACTING DEPUTY PRESIDENT (Senator Ketter): Thank you, Senator Sterle.

Senator STERLE: We did the inquiry. We went to Fremantle, and there were a number of us at the inquiry. We wanted to hear from people. We invited everyone. We invited those who were pro the freight link and those who were opposed to the freight link. Sadly, the main players, who are all for it, did not even turn up. They did not want to come and front the committee and tell the people why we need to move freight safely. We need to integrate the movement of freight and separate it from public transport.

We have now got to what we do know. There is now a $1.6 billion project. If you know Perth, you know we have a river just before the port. When we leave the Leach Highway at Kewdale or Welshpool, just before we get to the port we have a river, and we have to get across the river. This grand plan, which has now blown out to about $2.2 billion, stops about 50 metres before the river. I do not know what we are going to do there, because the existing bridge—for those of us who have the displeasure sometimes of having to drive over it—is a nightmare, and for heavy vehicles that is the only way they can get over to the port and back to Kewdale and Welshpool and over to other areas like Spearwood and so on.

But in the state government now—it is very public—the Premier, Mr Barnett, is bluing with his minister, Mr Nalder. They have conflicting time lines. We have now found out that the Premier has said, 'Well, we're not going to build Roe all the way.' We now read in The West Australian, that fantastic organ that we have over there, that the first stage will be built; for the rest, we do not even know what is going to happen there. We do not know when that is going to happen, because the Premier is now playing a game with his federal counterparts that he does not want to spend that money doing up the last stage—before we even talk about getting a bridge and upgrading the rail bridge across the river too—because he has other things he wants to build.

As a Western Australian, there are a number of things I have to say in a short time. I want freight to move. I was calling for a freight route 20 years ago, and I was ignored. I called for a freight route 10 years ago, and I was ignored. What would I know? But now, all of a sudden, when we really are at the pointy end, no-one knows what the heck we are doing. There are conversations about the tunnel. We have heard that; we picked that up in our inquiry. But we do not know where the tunnel will start, if there will be a tunnel. Infrastructure Australia told us that they did the costings on it. They did the work on it, but there was no inclusion of a tunnel. So it went from $1.6 billion to $2.2 billion and it stops 50 metres before the river, before we talk about another couple of bridges. It is just absolutely shambolic.
I heard Mr Ian King—he heads up the Western Australian Road Transport Association—on talkback radio in Perth a couple of weeks ago going absolutely berserk because even those who are part and parcel of the transport minister's forums and workshops and all that do not even know what is going on, and they are the ones who are responsible for representing the trucking industry. We have a lot of residents who live along the Leach Highway high street. Unfortunately, their homes are marked for destruction. We heard from people there.

There is an issue that I will not comment on. I will leave that to the Greens. They can have this argument about some wetland stuff. That is what they will do, and I am not surprised. It is next to my suburb. I will probably wander past on my morning walk and find Senator Ludlam chained to a bulldozer or something. That will not surprise me.

Senator Canavan: Tell us what you really think!

Senator STERLE: I will not be chained to the bulldozer, but it is just an absolute shambles. We need to move freight in Western Australia, and successive governments have all put their heads in the sand.

Now I want to conclude with this because I do not have enough time to really tell you what I am thinking. I made a bet with Senator Johnston when he was the minister at the table in his very first round of estimates as the minister. I bet him in front of everyone—it is on Hansard—a $2 scratchie that this road will not be built. So, Senator Johnston, in my last five seconds I have remembered, and you are going to owe me a $2 scratchie.

Senator BACK (Western Australia) (16:15): I am delighted to rise to speak to this issue associated with the Perth Freight Link. I remind those listening that the coalition government has made a historic infrastructure investment commitment of some $50 billion to get on with building infrastructure that this nation so badly needs. In fact, it is the largest expenditure in our history. But in the context of Western Australia it is the Perth Freight Link project along with others like the NorthLink Perth-Darwin highway that Senator Sterle just spoke of, the Gateway WA project around the airport, the Forrest Highway in its time and now the commitment to Armadale Road. But it is the Perth Freight Link project for which the federal government has committed some $925 million towards construction. It is two stages at the moment and there will be a third. The first is the extension of Roe Highway in what is known as the Fremantle Eastern Bypass, and that is where it all went wrong. The reason is the then

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I then ask: where is the problem and why the issue? We know that congestion is crippling our city. We know, for example, that container traffic through the Port of Fremantle has gone up some 70 per cent from 2003-04 to 2013-14. Now some 700,000 boxes or 20-foot sea containers per year are destined to go towards 1.2 million. Senator Sterle quite correctly has drawn attention to the problems associated with Leach Highway, and I am going to confirm in my contribution that he has been talking about this for at least some 10 years when I draw attention to some comments he made.

But why have we got a problem? Because, contrary to what Senator Sterle said—that there was never a plan—of course there was always the Stephenson-Hepburn plan from 1955. The Stephenson-Hepburn plan included what is planned to be Roe 8 and an area known as the Fremantle Eastern Bypass, and that is where it all went wrong. The reason is the then
minister, a Ms MacTiernan, now the federal member for Perth, protecting the political future of Mr Jim McGinty, the then Labor member for Fremantle, decided with him in her wisdom that they would actually delete the Fremantle Eastern Bypass and have it rezoned to residential. And this is why we are in this problem today. The government of the day made 17 million lousy dollars out of that exercise and, had that whole project been completed at that time, the estimates of cost are around about $220 million to $250 million in total. Instead, now we are looking at about $1.3 billion.

What did people at the time say? I am quoting now from the Hon. Simon O’Brien, still in the legislative council, from 7 April 2004. He was making reference to comments made by a TWU representative who we all now know is our good friend Senator Glenn Sterle. This is what he said, in part, on the idea of removing the Fremantle Eastern Bypass:

… this will create a frightening congestion problem of mammoth proportions in the very near future on all highways and major roads leading to the docks.

This was somebody of the same political persuasion as he. Mr Sterle said:

Even now Leach Highway, which carries most trucking to and from the port, is battling to handle the heavy freight …

That was in 2004, and of course we now have the horrific situation of Leach Highway. But it is even more interesting that his then colleague and, I guess, boss, Mr Jim McGiveron from the Transport Workers Union, made the comment about congestion killing, and of Ms MacTiernan, the then minister, he said:

Congestion kills our People; stuffs up our Environment, and it will destroy our Economy.

Yet Alannah in Wonderland is too busy playing choo choos with all our "Monopoly Money" to do anything about the impending traffic crisis.

He said she needed to spend a week in a truck driving backwards and forwards on Leach Highway to work out the gridlock situation that exists. I cannot actually use the words that Mr McGiveron used about Ms MacTiernan, because it would be un-parliamentary, but, if I was referred to the north end of a south travelling fat rat, I think you would get some sense of the words that Mr McGiveron was using in relation to whether or not Ms MacTiernan gave any care or consideration to truck drivers. He said, 'She didn't understand us and never recognises the vital role we play.'

So it is good to see Senator Sterle in this place today in fact confirming what we always knew, and that was that this Roe 8 has to be constructed, that Leach Highway was never designed—and for all the reasons Senator Sterle, with his depth of knowledge in the trucking industry, the number of sets of lights et cetera and the mixture of heavy vehicles and light vehicles. There are some hundreds of houses along Leach Highway that face straight onto and try to drive onto Leach Highway. It is predicted that we will see a 75 per cent increase in heavy vehicle traffic by 2021, rising to 110 per cent by 2031.

Something has to be done. Leach Highway is already carrying more than one and a half times the average metropolitan road traffic. There is already a rate of doubling of heavy vehicle accidents and incidents on that particular road. Something has to be done. We went into government at the state level back in 2008, when I was a candidate for the seat of Alfred Cove and unsuccessful—which, of course, allowed me to be able to then put myself forward as a candidate when then Senator Chris Ellison resigned. I very often thank both the Greens
political party and the Labor Party for preferencing some 95 per cent against me in the seat of Alfred Cove, which has landed me where I am today.

But the simple fact of the matter is that there never has been any doubt that this was going to go ahead. I quote from an article in *The West Australian* newspaper from 12 November from a Mr Martin Stewart, a resident of the suburb of Willetton, in the approaches to Roe 8, where he and his wife bought in in 1985. In it he says, 'When my wife and I bought our land, clearly marked on the map was the route of the Roe Highway. We duly noted it. We bought our land anyhow within 300 metres of the proposed highway. As part of your approval process why don't you just get on with it?'

I want to lend my name and my voice to the fact that we will definitely have to have an outer harbour in the Kwinana area at some time into the future. It is disappointing to all Western Australians, in my view, that planning has not already started for the outer harbour. We are going to need the outer harbour, there is no question; and I would urge state and federal governments to get on with that planning process.

It is my understanding that back in the 1890s when Charles Yelverton O'Connor was brought from New Zealand to the colony of Western Australia by Sir John Forrest, amongst others, as the chief engineer to build a new harbour, O'Connor said to Forrest that the place they needed to build it is where we are contemplating the outer harbour. So there are no arguments about that.

There are two points to be made. Firstly, we know very well that even if we started the planning process today it would be 10 or 15 years before an outer harbour would be ready to be used. Secondly, we know that the inner harbour will always be used for container and related freight services. We know that the inner harbour will go up to maybe a million boxes rather than 1.2, but we know there will always be that demand.

Senator Reynolds, who is sitting beside me, participated in the Senate hearing in Fremantle recently, along with Senator Ludlam, Senator Bullock and Senator Sterle, as I recall. It is disappointing to me that the community were not given a better and wider brief of the next phase, and that is the phase beyond Roe 8 up to the approaches of the Stirling bridge. The point that I made into the *Hansard*, answered by the relevant federal department person who was in Perth, was that contrary to the fears and expectations of the doomsayers and others, the actual extension of this road will have a heavy vehicle trench and residential traffic will not be on the road in competition with heavy traffic through that area. It is grossly disappointing that one of the witnesses who appeared before us was terribly upset by the fact that her home, along with others along High Road and Leach Highway, will be lost as part of this process. It was not appropriate for me to say to her, 'Your problem rests with Ms MacTiernan back in the period before 2002-04 when this problem should have been addressed by the Stephenson-Hepburn plan of 1955.'

**Senator RICE** (Victoria) (16:25): In every single major Australian city, people are stuck in their cars. It is making us late for appointments, costing us at the petrol pump and reducing the time we can spend at home with our friends and families. For decades, the response from state and federal governments has been to plough billions into bigger motorways, extra lanes and ever-more complex spaghetti junctions. This has achieved as much as loosening our belts to reduce obesity.
The initial sigh of relief is always short lived. From the Monash Freeway in Melbourne to the Mitchell Freeway in Perth to the M4 in Sydney, no matter how much a road is expanded it inevitably clogs up. And with 18 million motor vehicles registered in Australia, there are no more notches left on our motorway belt. We have hit peak road. Something has got to give. It is simply not efficient to build more tollways. They drain government coffers and destroy communities.

The signs are there for all to see. The sooner we accept it, the easier it is going to be for everyone. You just have to look at the failure of the East West toll road in Melbourne. This was a project that was going to rip through homes and parklands at a cost of $1 billion for every kilometre. The Liberals kept the business case in a locked cabinet, and for good reason—because, for every dollar that was spent on the project, Victorians would have seen a benefit of a mere 45c. But the community would not stand for it. It was the people who won that campaign, with the Liberals losing what was dubbed by former Prime Minister Tony Abbott as 'a referendum on the East West Link'. Labor might have leapt to power in Victoria on the back of the Greens' and community's campaign against the toll road, but they do not seem to have learnt the lesson. They announced that they are pouring $400 million into adding more lanes to the Monash Freeway. It will inevitably become a 10-lane carpark.

This week we saw Brisbane's Airportlink sold to Transurban for $2 billion—60 per cent less than it cost to build just a few years ago. This loss of $2.8 billion comes off the back of a mess experienced since the start of this project by shareholders and every person paying tax. What a disgraceful waste. Four thousand kilometres away, the community is rallying against the Perth Freight Link, where the Liberals have once again underestimated the extent of the community outrage. A very similar story is playing out in Sydney with the Baird government's secretive WestConnex motorway.

The Greens will continue to stand with those who are protecting their homes, their wetlands and their parks until these bad projects are dumped. These governments must start making decisions in the interests of the people they represent rather than the interests of big motorway businesses. If they fail to do so, they will be thrown out.

The solution to our congestion woes does not lie down the same old path of more and more massive polluting tollways. We must give people a new way. We must give them an option of getting to work, to the shops or to visit a friend in a way that is quicker, cheaper and easier than driving their car. This means prioritising tram, train and bus projects and paths for people to safely walk and ride their bikes.

We hear a lot from many on the government benches about the need to reduce public spending. The good news is that shifting our focus from roads achieves just that. It will free up our roads for the people who need them most. Modelling from Vancouver—a city with a very similar transport makeup to Melbourne—shows the high cost to society for every kilometre driven by road. Travelling on public transport has a cost too, but it is a fraction of that of roads. In contrast, when someone walks or jumps on their bike, the health benefits provide a net gain to society as a whole. I will repeat that. There are massive costs to society for every kilometre travelled by car but big benefits to society for every kilometre walked or cycled. Under former Prime Minister Abbott and Prime Minister Turnbull, this economically responsible new way forward has been beaten by an ideological insistence on roads. Prime Minister Turnbull may be good at taking selfies on trains, but that has not addressed the lack
of transparency and waste that we are still seeing with toll road projects around the country. We must put this old way of thinking where it belongs—in the past—and make it quicker, cheaper and easier for all Australians to get around.

**Senator McKenzie (Victoria) (16:30):** I just love following the Greens. It is like rainbows and lollipops. If we could all just bike and walk our way to work and address the significant freight task we have going forward as a country by walking and with pushbikes, we would be a better nation. It points once again to their absolute fixation on inner urban electorates and the elites in our community. They stand there and they profess that they are sticking up for workers. They profess to stick up for rural and regional Australia. They are doing nothing more than pandering to the elites in inner urban capital cities such as in my own home state of Victoria.

I rise to speak to the motion before us about the 'chaos, lack of transparency and waste surrounding the Abbott-Turnbull Government's outdated urban freeway projects', including, amongst other things, the East West Link in my home state of Victoria. Outdated! The Eddington report showed that the significant increase in cars on Melbourne's road infrastructure was actually going to increase from, I think, 165,000 cars to over 213,000 by 2030.

Senator Sterle made a significant contribution about the increased freight task going forward. That is the reality of the society, community and economy that we live in and work in and that provides the standard of living, particularly for those that have those wonderfully high house prices in Fitzroy—and that comes at a cost. That means we have to grow stuff and make stuff. We have to consume it domestically. We also have to get it to the ports to get it to the markets right around the world. So, Senator Rice, we have to build highways, we have to build bridges and we have to build railways because we need to get that product off the farm, down the road, onto port and out to market. Do you know what that does? That ensures that Australians have jobs and that local communities can do things together. They can educate their children, provide for their aged citizens and ensure that we have a sustainable health and education system because we have an economy that works and because we sell stuff to other people.

We are the infrastructure government and have made a $50 billion infrastructure commitment. We do not back away about being very proud of building the infrastructure that is going to help our nation grow and develop and be ready to maximise and take advantage of all the opportunities available to us in the 21st century, including those inherent in the free trade agreements negotiated this year and signed off by Minister Robb, which are going to have a fantastic impact on regional Australia. We also need our highways, bridges and railways for safety. Emergencies happen out in the regions. We have bushfires. We have floods. We have bushwalkers getting lost; we have issues in the snow. So we need infrastructure to ensure our community is safe. In the regions, we also need to ensure that our communities can socialise and that they can educate, volunteer, interact, play sport et cetera. That requires roads.

I am not sure how the under-13s from Irymple up in the Mallee will all get on their pushbikes to play their under-13 footy game on Saturday morning against Donald under-13s. They are going to have to leave Friday morning. They are going to have to skip school Friday so they can get on the pushbikes, Senator Rice, and get from Irymple down to Donald so they
can compete against the under-13s in Donald. That is just ridiculous! It shows how out of touch the Greens are. Seriously, Senator Rice, are you going to subject the under-13s from Irymple to that? I cannot believe it.

I am straying, because I am supposed to be talking about East West Link. When we talked about the significant freight task—particularly in Victoria, the great state of ag—we recognised that earlier. It was the state coalition government that signed up to ensure that the Western Ring Road was connected to the Eastern Freeway. Do you know what that did, Senator Rice? In your contribution, you talked about people spending time in their cars, reducing the time they are able to spend with their families. Do you know what the East West Link would have done? It would have allowed people who now spend hours sitting gridlocked on Melbourne roads to be home an hour earlier. But do you know what it would cost? A small percentage of people in the inner urban electorates would have to have a tunnel under their homes.

So that is what we are really talking about. We are not talking about walking and pushbikes. We are talking about the people that are living in Laverton, the people that are living in Dandenong, the people that are living in Noble Park and Berwick and Lilydale. The people who do not vote for the Greens. They are the ones that will have to continue sitting in their cars, because they cannot walk to work, Senator Rice. They cannot pushbike to work. The East West Link was going to and could still deliver real benefits, not only in quality of life for Victorians, particularly for outer urban Melburnians, but also—and, I think, incredibly importantly, going forward, given that the greatest product off the dock every morning out of the port of Melbourne is Murray-Goulburn dairy product going to the markets of the world—by underpinning regional Victorian local economies. The East West Link project would have taken those tankers off roads that they are currently on and put them on a much more sustainable and faster and more efficient and effective route.

I know that poor Senator Sterle was bemoaning his Premier playing games in Western Australia. I tell you what: he is not the only one. Senator Sterle did not mention my own Premier, Premier Andrews, and the games that the Labor Party in the state of Victoria is playing with this particular project. If Senator Siewert, through this motion, thinks the government is chaotic and non-transparent and wasteful, how about she open a Victorian newspaper whilst sipping a Fitzroy latte? Or maybe she would be down at Clifton Hill. Collingwood, maybe, is her cafe of choice. I would say that she should take Senator Rice, but Senator Rice would be riding her bike, so it might take her some time to meet up with Senator Siewert. But I will leave them to work out the logistics of how they actually get to the inner urban cafe to sip their lattes. But, if she put her Age down and picked up a Herald Sun—it might take a while to find one in Fitzroy—that is all she would have to do. If she turned its pages over the last couple of months, she would see the carnage of broken contracts that the Labor state government has caused. Goodbye, jobs. Goodbye, family time. Hello, drivetime radio—great for the ABC—which can only go so far to relieve driver boredom and stress.

The coalition government wants to help Victoria solve its growing east-west transportation dilemma, and that is why we have committed $3 billion to the East West Link as part of a broader $7.6 billion infrastructure funding commitment to the state through our Infrastructure Investment Program. It was the Victorian Labor government who, after coming to power in late 2014, cancelled this project which had the capacity to transform Victoria's transport
network and the state economy. The Victorian Labor government originally indicated costs of around $400 million for cancelling contracts. That is okay, Victoria; it is only going to cost us $400 million to cancel the contracts! That is a lot of state schools. That is a lot of kindergartens. That is a lot of hospitals. That is a lot of nurses. That is a lot of teachers. That is okay—Andrews can write that off.

But do you know what is more appalling than him writing off $400 million for cancelling contracts? It now appears as though the full cost of cancellation will exceed $600 million. Thank you very much, Premier Andrews. How absolutely derelict is my Premier, the Premier of the great state of Victoria? The money of hardworking Victorians is handed over to not build the East West Link. I do not want to get all X gen on it, but I am going to quote Dire Straits—indeed Melbourne's congested roads are in dire straits—by saying that Victorians have unwillingly coughed up 'money for nothing' but they have definitely got their 'kicks for free'. What an absolute waste of money and a smack in the face for Victorians.

Cancelling the East West Link not only cost Victorian taxpayers money; it also cost around 7,000 jobs, not that Senator Rice is concerned about that, because people with these types of jobs do not vote for the Greens party. They vote for the Labor Party. They vote for the coalition. They never vote for the Greens. These are construction jobs. Senator Rice and Senator Siewert, through this matter of public importance, you are claiming that you want to give Victorians more time at home and deal with the freight task by riding pushbikes. I am not sure how I am going to get a tonne of wheat in my pushbike's little front basket to get it around, but anyway. It shows how absolutely out of touch you are as a party and why you are absolutely irrelevant to our future.

**Senator McALLISTER** (New South Wales) (16:40): This matter of public importance correctly identifies the 'chaos, lack of transparency and waste' surrounding a range of major infrastructure projects. It is important to reflect on this, thinking about the importance of transport infrastructure for our economy and for the communities that we represent here.

There are limited dollars available in the Commonwealth budget to support transport, and it is critical that the dollars that we do have go to projects that we know will improve the productivity of our economies and, as Senator McKenzie rightly points out, the wellbeing and the lifestyles of the people that we represent.

Unfortunately, what is required to do that is an evidence base, and what we have seen from the government over the last two years has been a complete unwillingness to consider evidence, to develop evidence, to use it in making decisions. On being elected, the coalition provided billions of dollars in funding for major projects prior to any assessment whatsoever by Infrastructure Australia. That included the East West Link and the Perth Freight Link. The business case for WestConnex was only last week released, despite calls for it for over two years. It has been left to hardworking local state members like Jo Haylen and Jodi McKay to hold the New South Wales government to account and to demand that this information be brought into the public domain.

In all of these cases, the funding was allocated and, in the case of the East West Link and WestConnex, paid to the states prior to the assessment processes having been completed. This is not merely a technical problem or a bureaucratic problem, because, as a consequence of proceeding in this way, as a consequence of rushed processes, poor processes, processes in breach of election commitments, these projects have become mired in controversy and
confusion. There have been constant changes to the scope and the routes, and it has brought out ridicule and cynicism amongst the broader community about the way that the Commonwealth goes about establishing transport projects.

It stands in stark contrast to the approach that we on this side of the chamber took to this issue when we were in office. In 2008 we understood that this was a real issue that we needed to grapple with, and we established Infrastructure Australia. It was a body explicitly designed to bring evidence to the fore. It was designed to independently assess infrastructure proposals using proper cost-benefit analysis. It was designed to some extent to take the politics out of decision making, to make decisions on the basis of economic benefit, not for political or other considerations. The way it went about that was that it produced an annual infrastructure priority list and it listed projects in order in terms of their ability to promote productivity. In government, we followed those recommendations. The top 15 priority projects developed by IA were funded by Labor, and we also used that body to produce national infrastructure audits as well as national freight, land and urban transport strategies.

The coalition came to government promising to maintain this approach and indeed promising to extend and intensify it. Their election policy said that they would make Infrastructure Australia a more transparent, accountable and effective adviser on the planning, selection and procurement of infrastructure projects. What actually happened was that the coalition introduced legislation to the parliament in November 2013 that sought not to give more power to Infrastructure Australia but to increase the minister's power to interfere in the decision-making processes of that body. It was only because of the good sense of the senators in this chamber that that proposal was blocked.

The policy also said that there would be a rigorous and transparent assessment of tax funded projects and that they would require all infrastructure projects worth more than $100 million to undergo a cost-benefit analysis. As I have already mentioned, the money for the East West Link and the Perth Freight Link was provided before these processes took place, before IA had a chance to assess those projects—absolutely in breach of the promises made by the coalition before coming to government and absolutely to the detriment of good policy, sound investment and productivity in the states where those moneys were allocated.

I want to talk a little bit about WestConnex in my home state of New South Wales because, despite having $25 million to support the development of a business case as part of proper planning, the full business case was only released in redacted form last week. That saw in 2014 the New South Wales Auditor-General highly critical of the New South Wales government's compliance with its own project planning and approvals process, and major elements of that project have been sent back to the drawing board.

The failure to properly articulate the case for WestConnex to explain what its role might be and the failure to consult with local people has meant that there is enormous public cynicism about the government's motives in supporting this project. And every time a government does this around questions of infrastructure, it diminishes our ability to make the decisions that we need to make as a government to fund sensible projects to improve our cities. It is absolutely critical that we get this right.

People talk in general terms about the economic benefits of increased connectivity in cities, but what we forget is that there are real lived experiences behind that economic story. Transport is not an end in itself. It is a link between places that people want to be, where they
are now and where they would like to get to. It is enormously important in terms of creating productive cities where people can get access to the jobs that they need to secure themselves and their families' livelihoods.

The Grattan Institute has done some excellent work around this: looking in my home town of Sydney, in some suburbs, only 14 per cent of the total jobs available in Sydney can be accessed within a 45-minute car trip. It is even worse—much worse—if you are reliant on public transport. In many outer suburbs of Sydney, they offer access to fewer than one in 10 of the cities' jobs within an hour's travel on public transport.

Of course I want to draw this chamber's attention to the fact that this has a gender dimension: women's workforce participation falls dramatically in Sydney's outer suburbs, and this is related to the availability of transport and the accessibility of jobs. Men and women in Sydney's eastern suburbs and inner west participate in the workforce in relatively similar levels but, in parts of Sydney's outer western and south-west, workforce participation falls to more than 20 per cent below that of men's. In part it is because of women's caring responsibilities that require them to have jobs that are within easy transport distance of their homes. If they need to get their children from school or take care of a sick parent or a disabled relative, they need to be working in a job that is within easy access of their home. The absence of transport options is absolutely making lives harder for residents in these parts of my city.

The frustration for me—and I want to say this very clearly—is that, every time we muck up one of these projects, every time we fail to engage the community and every time we fail to present the evidence about the significance of one of these projects and we generate cynicism, we decrease our ability to make the decisions that we need to make our cities work.

Transport is a most significant issue. We know that there are limited resources in the budget and we know that we need to apply those resources efficiently. We need to apply them to the projects that can really make a difference. An efficient investment does not mean prioritising road all the time to the exclusion of all other modes of transport. It also does not mean prioritising rail to the exclusion of all other forms of transport. It means gathering the evidence and making an evidence based decision about what will be the best project to provide the transport solution. That is the approach that people on this side of the chamber took whilst in government. That is the approach we recommend, and it is a terrible shame that the government does not adopt—(Time expired)

**Senator LUDLAM** (Western Australia—Co-Deputy Leader of the Australian Greens) (16:50): It has been fascinating listening to the various sides of the chamber grappling with these questions of transport planning and freight movement for the 21st century—from Senator Sterle's contribution and his background in the trucking industry to the bizarre rant by Senator McKenzie who assumed that, if you did not support the establishment of eight-lane freight highways through sensitive wetlands and suburban areas, you must want to transport freight by bicycle. The divide in this parliament, I think, has never been greater around the provision of public transport infrastructure.

I would also suggest that some of those coalition contributions that we have heard this afternoon have been quite stridently out of step with the new pitch and tone that I think Prime Minister Malcolm Turnbull is trying to establish. It will be interesting to see whether he is going to be able to bring his colleagues into line. This is no longer a question of rhetoric or
messaging, because very substantial sums of public money are about to be invested by the Turnbull government and there will not be any place to hide.

Prime Minister Malcolm Turnbull is visiting Western Australia on 9 December, we understand, and a short time ago my office hand delivered a letter to his office inviting him—I think, probably this is his first visit to the state of WA since taking office—to visit the Beeliar Wetlands and to meet with local residents and me. This is an area that people have been defending for more than 20 years from proposals to put freeway infrastructure bisecting the wetlands and flattening one of the last really decent stretches of old-growth banksia and mature woodland in the Perth metropolitan area.

In his contribution, Senator Back went to great lengths to talk about the Stephenson-Hepburn plan of 1955. Senator Back, with the greatest respect, transport planning has moved on some since 1955. Ms MacTiernan, the ALP member for Perth, who was planning minister, was briefly slated by Senator Back for deleting the Fremantle eastern bypass. Ms MacTiernan does not need me to come in here and defend her—she is perfectly capable of standing up for her record—but she was absolutely right. She was absolutely spot-on. I do not know whether Senator Back realises it, but he just stood in here and advocated a four-lane freight highway through White Gum Valley and East Fremantle. It would have been an absolute catastrophe for that highway to have been smashed through those quiet suburban streets. Yet Senator Back is still in here condemning the former minister, Alannah MacTiernan, for doing what the community at the time was demanding and what was exactly the right thing to do.

I do not know how well-known this is—I presume Senator Back knows this, as I think he has lived in Perth his whole life—but the Stephenson-Hepburn plan of 1955 had a freeway and an overpass going over the river from a Stock Road extension at Point Walter onto Jutland Parade in Dalkeith, which is the street that for a while had—I do not know if it still has—the most expensive real estate in Perth. That got deleted and nobody misses it. It did not do any damage at all. We do not have to stick to the cast-iron template set down in 1955—which, we should also say was somewhat farsighted for its time. It had a huge amount of public transport infrastructure in it that successive governments failed to introduce. It was on the planning books but never actually made it to the ground.

Our invitation to Mr Turnbull when he visits Perth on 9 December is a very simple. The Prime Minister has the opportunity to put his state colleagues in their place, because they are in the process of seeking nearly a billion in Commonwealth funding for what I would say is now the greatest planning debacle in Western Australian history. I have never in my life seen incompetence on this scale for a project of this scale. They are making it up as they go along. Premier Barnett is now in open conflict with his hapless transport minister, Mr Dean Nalder. They cannot agree from one day to the next where this freeway is supposed to go, and they have their hands out for nearly a billion dollars. One day it is a tunnel and one day it is a trench. They still do not know how they are getting it into North Fremantle. People are having to piece together the jigsaw puzzle pieces of this catastrophic puzzle on the fly. After a while you realise that the reason we cannot find any coherence or sense in the Perth freight link is that it is not there to find. When Prime Minister Turnbull arrives in Perth he will be met and welcomed by the local community if he is willing to have a real talk with Premier Barnett and whoever happens to be transport minister at the time—because this can be fixed very easily.
It was actually good to hear Senator Back acknowledge the outer harbour. A new overflow container terminal in Cockburn Sound is simply a matter of time. It will need to be built. He said that it could not be built in less than 10 to 15 years. Fremantle Port and many others beg to differ. Seven years is the period of time that I have seen that we could get an overflow container terminal built in Cockburn Sound. There is already an uninterrupted stretch of freight freeway on Tonkin Highway between Kewdale and Orrong Road, and there is an almost direct and unbroken freight-rail link between the Kewdale container terminal and the site of the proposed outer harbour. The solution is actually right there in front of us. Rather than torching $2.2 billion—or whatever it is up to these days—of state and federal funds for wherever the Barnett government lands on the freight link, we can start that investment now, today, at the outer harbour and resolve this once and for all, with a dedicated road and rail link to a new overflow container terminal. Nobody in their right mind would try to move 1.5 million boxes a year through the container terminal at Fremantle. It is simply not going to happen.

So Prime Minister Turnbull, when he visits Perth in a week or so—a week and a half—will be met by a sustained and growing movement of ordinary people. Fifteen thousand people have already signed their names against this project. There are 31 formal organisations in the Save Beeliar Wetlands Coalition, including some who have been active on this campaign literally for decades. Yesterday, when drilling began, many of those people were there. The Western Australia Police, who are unfortunately going to be the meat in the sandwich at this confrontation that will simply escalate, were there in numbers and so were ordinary members of the community, who sat down in front of vehicles until the Main Roads Department moved that drilling rig offsite. There are many legal avenues. The environmental approval by the state EPA is presently tied up in the state Supreme Court. That is a matter that will be heard within a week. Only in the last 48 hours an application for an emergency declaration under section 9 of the federal Aboriginal and Torres Strait Islander Heritage Protection Act has been lodged. And it is likely that this project will also be challenged in the Federal Court, because Minister Hunt's approval was based on flawed state approvals.

The federal Liberal Party and the National Party, despite some of the rather poorly informed commentary that we have heard from them this afternoon, do have the opportunity in an election year to differentiate themselves very sharply from their state colleagues. If they do so, I personally—and I imagine I would speak for a reasonable number of participants in this debate from right across the political spectrum—will not be beating them up for a backflip; I will be congratulating them for seeing reason. The Perth freight link will not be going ahead. As much as Senator Sterle would like to joke about politicians chained to earthmoving equipment, it has been a long while since I have been arrested for non-violent civil disobedience.

Senator Canavan interjecting—

Senator LUDLAM: You can laugh all you like, Senator Canavan. One day if a project such as this is passing your back fence you might find yourself in this position too when you realise just how poorly conceived some of these funding decisions are. Local community members from North Lake, Bibra Lake, Perth's western suburbs and also from much further afield—as we discovered at a rally just this past weekend—have pledged non-violent civil disobedience, and I and many others will be standing shoulder to shoulder with them.
The Prime Minister has the opportunity when he visits Western Australia in 10 or so days to actually resolve this issue once and for all. It is not an intractable planning decision that has been made here. It is not an intractable confrontation. There is a solution that is staring us right in the face. Professor Peter Newman and his team at CUSP, the local governments who have found themselves in the path of this immensely unpopular project, residents, those who have just taken the time to inform themselves, Aboriginal people who are trying to protect 40,000 years of continuous occupation and culture over that piece of country and a very wide political coalition—all of us—standing together will welcome the Prime Minister or any of his federal Liberal-National colleagues if, when they visit Perth, they swing that large public investment behind a genuinely scalable freight solution for Perth's suburbs. That proposal is there on the table. It is reasonably well delineated.

It would have fallen at the first hurdle if we had a genuinely independent assessment process for Commonwealth infrastructure funding because the state government has chosen to put no information into the public domain at all. If they are so proud of their project, the first thing they should do is table the full business case, table the freight modelling and table any one of the nine freedom of information requests that have been denied that we have submitted and that other colleagues have submitted. If this project is so great, put the evidence on the table. It is going to be a disaster. It will not get built, but fortunately the solutions are well at hand.

Senator RHIANNON (New South Wales) (17:00): Urban motorways reveal some of the worst aspects of how major parties do politics and the worst aspects of their own transport policies. In Sydney we have this madness of a WestConnex urban motorway project. A 33-kilometre, dirty tollway that would divide Sydney, bring greater air pollution, increase congestion, divide suburbs and rip up bike lanes. We know that is so often the case because we have seen it in the past with urban motorway projects that have brought so many problems—not just transport, not just health wise but also economic. There have been disasters.

We know who the winners are out of this. The winners are the mates of the Liberals and Labor—the developers and motorway builders—who stand to pick up the billions of dollars that is the cost of these massive projects. In Sydney we have the Cross City Tunnel that has gone into receivership twice. The Lane Cove Tunnel has been in receivership once. On both those motorway projects bike lanes that had to be built as part of the project were subsequently ripped up as one problem with the project after another had to be solved, and they partly tried to do that by ripping up bike lanes.

What we also know from experience with these urban motorways is that there is a huge fudge when it comes to the business case. The assertions that there are so many cars that will use this and that great profits can be made out of these motorways. Again, going to the Cross City Tunnel, that is just a joke. To this day so often you cannot see a car in it as you go through it.

I pay tribute to the EcoTransit organisation, and particularly to Michelle Zeibots who identified the problem early on that you could not trust the figures. Right from the beginning the backers of the Cross City Tunnel said 95,000 cars would use this tunnel. Ms Zeibots identified that you could not fit that many cars in it in a day. Now it is running at about 40,000 and it is not expected that it will increase very much at all.
Coming back to the WestConnex, again we see the problems with the transport policies of Liberal and Labor. There has already been a blow-out. A project that started as supposedly $10 billion in 2012 is now out to $16.8 billion, and this is what the state and federal governments are combining forces to push through.

Imagine what that money could do if spent on public transport. The solutions it would bring to Sydney would be fantastic. But it is money that could be spent in other areas—other capital cities or regional areas—that are crying out for public transport. Now we have this madness of the WestConnex project running at what we understand are $26 tolls with tens of thousands of cars dumped into the inner city. That effectively is the policy that Labor and the Liberals would bring to our city if it is allowed to proceed.

Again, it does put the spotlight on Prime Minister Malcolm Turnbull. He cannot get away with making out he is a great advocate of public transport if he is going to allow the WestConnex project to go ahead in his city. It will divide suburbs, cause more congestion, which will lead to more air pollution and more health problems, rob money from public transport and make it harder for a lot of businesses that are along the main roads where there will be 24-hour clearways. Every way you look at this project it is a disaster.

What adds to the outrage is that now there is an asbestos scandal building around this, as large numbers of trucks are moving asbestos from the St Peters area, where they will want to build a spaghetti junction, out to Western Sydney, dumping it at a waste facility that has on its website that it does not take asbestos. And now they are discovering asbestos along the M5 Motorway, which has to be expanded as part of the WestConnex project. I have visited residents who are deeply concerned that asbestos is in their backyard, it has not been properly stored and it is being disturbed in the ways that we know are so wrong.

This is a project that really should be stopped now. Let’s get those billions of dollars into public transport. It is a policy of urban motorways and it is a failed policy. It is 2015. We hear from so many politicians in this place that we need liveable cities. What goes hand in hand with liveable cities is public transport. Public transport needs money. The projects that we need have been identified—light rail, heavy rail and more buses. We can do it with clean energy. The future is clear.

The ACTING DEPUTY PRESIDENT (Senator Bernardi): Order! The time for the discussion has expired.

DOCUMENTS
Consideration
The documents tabled earlier today were called on but no motion was moved.

COMMITTEES
Scrutiny of Bills Committee
Report
Ordered that the report be printed.

CHAMBER
Regulations and Ordinances Committee
Delegated Legislation Monitor

Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (17:06): On behalf of the Chair of the Senate Standing Committee on Regulations and Ordinances, I present the Delegated Legislation Monitor No. 15 for 2015.

Ordered that the document be printed.

Parliamentary Joint Committee on Human Rights
Report

Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (17:06): On behalf of the Chair of the Parliamentary Joint Committee on Human Rights, I present the Thirty-first report of the 44th Parliament: human rights scrutiny report.

Ordered that the report be printed.

Senator SMITH: I move:

That the Senate take note of the report.

I seek leave to have the tabling statement incorporated into Hansard.

Leave granted.

The statement read as follows—

I rise to speak to the tabling of the Parliamentary Joint Committee on Human Rights' Thirty-first Report of the 44th Parliament.

The committee's report examines the compatibility of bills and legislative instruments with Australia's human rights obligations. This report considers bills introduced into the Parliament from 9 November to 12 November 2015 and legislative instruments received from 2 October to 29 October 2015. The report also includes the committee's consideration of two responses to matters raised in previous reports.

Nine new bills are assessed as not raising human rights concerns and the committee will seek a response from the legislation proponents in relation to one bill and three legislative instruments. The committee has also concluded its examination of one bill and one instrument.

This short report considers one bill in detail—the Omnibus Repeal Day (Spring 2015) Bill 2015. While the vast majority of the bill, which is largely designed to reduce unnecessary red-tape, raises no human rights concerns, there are two issues that require further consideration from a human rights perspective. One relates to the removal of consultation requirements when making disability standards, which engages the rights of persons with disabilities. The other relates to removing a statutory requirement to have an independent review into the effectiveness of the Stronger Futures measures, which may affect the proportionality of any limitation on rights caused by these measures.

I note that the committee raised the same concerns in relation to these matters when the amendments were introduced as part of the Omnibus Repeal Day (Spring 2014) Bill 2014. However, the committee's concerns were not reflected in the statement of compatibility for the bill. In order for the legislative scrutiny process to be effective, where the committee has previously commented on provisions in a bill, I would encourage all Senators to have regard to those comments when preparing the explanatory material for the legislation.

The committee has also considered three legislative instruments in this report which raise complex human rights issues. These instruments relate to implementation of a United Nations Security Council resolution in relation to the misuse of cultural property from Iraq and Syria. The committee recognises
the importance of complying with this resolution, and considers the objective of preventing terrorist
groups from profiting from illegally removed cultural property is clearly legitimate for the purposes of
human rights law. However, the instruments make breach of the provisions subject to a term of up to ten
years imprisonment, and as the report notes the drafting of the provisions is somewhat broad and
imprecise. In simple terms, an offence provision that is insufficiently precise may offend the right not to
be arbitrarily detained, and the committee will therefore write to the Minister for Foreign Affairs to seek
her advice as to whether the offence provisions are sufficiently precise to satisfy the requirement of
legal certainty in the context of Australia’s international human rights obligations.

As always, I encourage my fellow Senators and others to examine the committee's report to better
inform their understanding of the committee's deliberations.

With these comments, I commend the committee's Thirty-first Report of the 44th Parliament to the
Senate.

Question agreed to.

Joint Committee of Public Accounts and Audit

Report

Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (17:07):
On behalf of the Chair of the Joint Committee of Public Accounts and Audit, I present Report
as well as executive minutes on report No. 447. I move:

That the Senate take note of the report.

I seek leave to incorporate the tabling statement into Hansard.

Leave granted.

The statement read as follows—

Mr President, I present the report from the Joint Committee of Public Accounts and Audit, entitled

On 4 June 2015, the Committee selected this ANAO Audit Report for further review and scrutiny at
public hearings.

The Australian Government provides subsidised medicines to Australians and eligible overseas
visitors through the Pharmaceutical Benefits Scheme. In 2013–14, the PBS subsidised over 210 million
prescriptions at a reported cost to government of over $9 billion. The Government also subsidised an
additional 12.4 million prescriptions to the veteran community, at a cost of almost $400 million.

Since 1990, the Australian Government funding has helped maintain a national network of
approximately 5,460 retail pharmacies as the primary means of dispensing PBS medicines to the public.

The Fifth Community Pharmacy Agreement covered the period July 2010 to June 2015, and was
primarily a partnership with the Pharmacy Guild of Australia. The Agreement involved the delivery of
$15.4 billion in funding.

The ANAO report uncovered a number of failings within the Fifth Pharmacy Agreement’s
implementation and administration. There were shortcomings in key aspects of Health’s administration
at the development, negotiation and implementation phases. The ANAO identified key issues relating
to: the clarity of the Agreement and related public reporting; record-keeping; the application of financial
framework requirements; risk management; and seeking Ministerial approvals.

It was originally stated that the agreement would result in net savings of $600 million over its term.
However, ANAO analysis indicated that the net savings estimated should have been closer to $400
million — due to shortcomings in Health’s estimation methodology. The principle issues related to:
unexplained increases in the baseline cost of professional programs; the application of inappropriate indexation factors; and the treatment of patient co-payments.

Given the experience the Department of Health has had with the previous four Pharmacy Agreements, the failures of process observed are very disappointing.

The failure to provide suitable records for public accountability and the breach of the Financial Management and Accountability Act governing public expenditure were particularly egregious.

The ANAO report's eight recommendations have been agreed to by all parties, and Health has given assurances that the Sixth Community Pharmacy Agreement has incorporated ANAO's advice. Given the size of the expenditure for this new Agreement – some $18.9 billion over the next five years – the Committee is of the view that its implementation should be closely scrutinised to ensure that the lessons learnt from the previous agreement and the ANAO report are not lost.

In addition to the ANAO's advice, the Committee made three further recommendations directed at:

- ensuring that Health report back within 6 months of tabling this report on the independent two year review of remuneration and regulation for the Sixth Agreement—particularly with regard to 'value-for-money' spending;
- ensuring that Health report back on the KPIs for the new Agreement and how outcomes are to be achieved, monitored and measured; and
- the ANAO conducting a follow-up audit on the implementation of the new agreement.

In conclusion, I thank Committee Members for their deliberation on these significant matters. I also thank departmental representatives who appeared at public hearings for assisting the Committee.

I commend the report to the Senate.

Senator SMITH: I seek leave to continue my remarks.

Leave granted; debate adjourned.

Community Affairs References Committee

Report

Senator SIEWERT (Western Australia—Australian Greens Whip) (17:08): I present the report of the Community Affairs References Committee on the treatment of people with disability in institutional and residential settings, together with the Hansard record of the proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator SIEWERT: I move:

That the Senate take note of the report.

This time last year, Four Corners had a report that, I think it is fair to say, shocked Australia. The report was on the violence against and abuse and neglect of people with a disability. It contained some very shocking revelations. There was an outcry from the community, but unfortunately the government refused to heed the calls for a national inquiry. So the matter was referred—in fact, by me—to the Senate for an inquiry. I have just tabled the report of that inquiry.

I urge every senator and every Australian to read this report because it contains shocking information that Australia needs to understand and take action about. We heard honestly heart-rending evidence of violence, abuse and neglect against people with disability around Australia. We heard detailed accounts of abuse.
At the Perth hearing the Bolshy Divas, a group of outspoken women in my home state of Western Australia, told us of multiple accounts of people experiencing abuse, and for each account they tabled a rose. There were many roses on the table by the time they had finished their accounts. We kept some of those roses to remind us of those accounts, and each committee member here today has one of those roses.

I would like to thank and acknowledge the strength of the people with disability, their families and their advocates who presented evidence to our inquiry. It truly was heart-rending, moving, shocking evidence that we heard during our inquiry. It took great strength from people with disability to share their lived experience. People talked of their shame and of their trauma. And in fact giving evidence—and it breaks my heart to say it—retraumatised people. But, as we said to people when they were presenting their evidence, it was through their strength in recounting their experiences that we could understand the depth and the breadth of what is going on.

There is absolutely no doubt in our minds, and the evidence clearly shows, that there is widespread violence against and abuse and neglect of people with disability around Australia. This is not confined to one state. It is not confined to limited experiences. It is, without doubt, widespread and needs further investigation. That is why the No. 1 recommendation of the inquiry is to call for a royal commission.

Virtually everybody who spoke to the inquiry or who presented written submissions—and we had over 150 submissions—called for a further inquiry. They called for a royal commission. And the majority report supports the call for a royal commission. It is only with a royal commission that we can fully understand the extent of violence, abuse and neglect against people with disability.

One of the issues that is really clear is that we do not have good data around prevalence. We do not collect this data. We do not ask the questions. Yet that is the only way that we can understand what is going on.

People shared their experiences and their accounts of their lives so that Australia could listen and take action. To my mind, we will not do justice to the fact that we retraumatised people by the fact that they were recounting their experiences if we do not take action. If we do not have a royal commission and if we do not implement the 30 recommendations that we make in this report then that retraumatisation will have been for nothing.

We heard accounts of violence, abuse and neglect in institutional settings, in residential conglomerate settings, in schools, in aged care—across the board. Nobody at all in this country can say that this is not happening. This report clearly articulates that.

There were a number of headline issues, I would call them—and we call them that in the report—that came up during this inquiry: the call for the royal commission; a truly national disability complaints network. People were calling for and we are recommending the establishment of an independent statutory national protection mechanism that has broad functions and powers to protect, investigate and enforce the findings in relation to violence, abuse and neglect against people with disability, including investigating system issues. The other issue that came up really strongly and repeatedly was the need for national workforce and workplace regulation to address some of the systemic workforce and workplace issues that increase the prevalence of violence, abuse and neglect. There is a need for ongoing
training, so we are calling on the government to consider the implementation of such a process.

One of the key things here was access to justice and the denial of justice for people with disability. Not only were people scared to report assault, abuse and violence, but when they had the strength to and could report it they were not believed by the police, by the service provider, by the judicial system. People were told: 'No, this would never stand up in court. People wouldn't believe you as a witness because you've got a disability,' and this was particularly so for those people with a cognitive impairment. So, even when people could report it, they were not believed. Evidence we got from South Australia shows that the changes that have been made through their Disability Justice Plan are really positive. We have evidence that it is not perfect, but it is a substantial improvement. The fourth headline issue is access to justice and taking a just approach to ensure that justice is achieved. We need to be working at a national level, and our states and territories also need to be working on this issue. I will come back to the issue of data because it came up again and again. I am sure Senator Moore will also address the issue around data, because it comes up for us again and again.

I will quickly go back to the issue about the royal commission and reinforce the fact that we would not call for a Royal Commission if we did not believe it were necessary. You do not call for them lightly. There are very significant issues that require royal commissions. But this one does. We have to shine a light on these instances across Australia because this committee has only been able to scratch the surface.

Before I finish and hand over to my colleagues, I would like to once again thank all those who appeared at the committee, who gave evidence and who wrote submissions. I would also particularly like to take the opportunity to thank the secretariat of the Community Affairs References Committee, who are outstanding and have done an outstanding job. I would like to particularly thank our committee secretary, Jeanette Radclife, who has done an outstanding job; and Kate Gauthier, our principal research officer, who has done the most amazing job pulling this report together. I thank them most sincerely for the work that they have done. I thank my colleagues for the work that has been put in, because there has been an outstanding amount of work put into this. I urge you all to have a read of it and I urge the government to implement the recommendations.

Senator LINDGREN (Queensland) (17:18): The Senate Community Affairs References Committee inquiry into the abuse against people with disability in care was started due to an urgent need for a better system of independent monitoring and better protection mechanisms for people with disability who are in institutions and residential care. As a signatory to the disability convention, the Australian government retains ultimate responsibility for ensuring that the treatment of people with disabilities in Australia is compatible with the provisions of the disability convention. It is for this reason that the committee examined the issue of violence, abuse and neglect with people with disabilities from a whole-of-issue perspective. This committee has taken on the very important role of reviewing one of the most significant social programs with great care and compassion. I commend Senator Siewert, the other committee members and particularly the secretary for showing sensitivity to those who had lived abuse and shared their stories.

The overwhelming evidence presented during hearings showed a systematic failure of systems to protect some of our most vulnerable people from violence, abuse and neglect. It
also heard of the failure and lack of support for those who do not respond to the occurrence of violence, abuse and neglect. The committee heard very disturbing accounts of abuse from a range of people that included the victims themselves, advocates and supportive families and from staff who worked at a number of these infamous institutions. It is important to acknowledge the individuals who chose to open up and share their stories, no matter how unpleasant they were. As a member of the committee I heard many personal stories that sickened me. I consider myself to be a strong individual, but on a few occasions I struggled to contain my emotions. Many lived experiences were given, but one story in particular saddened me, and I will never forget it. This very brave lady gave her harrowing account of abuse. She described her abuser as a monster, and rightly so. She showed me the lengths that some of the abusers will go to to hide their heinous crimes. This lady and many others like her should be protected from predatory abusive behaviours. I say to the victim: thank you for sharing your story and being brave. I wear this rose for you today.

It is a challenging task to capture the full scale of the violence, abuse and neglect of people with disabilities. There is clear evidence to suggest that the abuse cases reported are not isolated but instead may be more prevalent than first thought. I acknowledge that there are some excellent initiatives out there as well as programs that seek to improve both service delivery and protective mechanisms. Some of these programs are having significant positive impacts. I congratulate those who are trying to assist people with disabilities to have a good quality of life.

Another big issue is around appropriate mechanisms that address low-level service complaint systems. This area is inadequate and does not appropriately address the victims' complaints, many of which are criminal offences. Reporting abuse is everyone's responsibility. Stopping violence is everyone's responsibility. A broader complaints system that has national consistency between jurisdictions rather than a silo approach is an imperative initiative.

As a coalition senator I feel very strongly about this matter, and I believe that further, deeper investigations are needed. I concur with the other members of the committee that there needs to be an overhaul of systems that include reporting and investigating frameworks across all jurisdictions. It is these failures that have not protected and still are not protecting the most vulnerable people with disability.

Senator MOORE (Queensland) (17:22): Chapter 1 of the Community Affairs References Committee report into abuse against people with disability in care actually begins with a quote. We have a mechanism in our reporting to ensure that the voices of the people who talked to the committee are heard throughout the report. Chapter 1 starts:

Violence against people with disability in institutional and residential settings is Australia's hidden shame … The evidence of this national epidemic is extensive and compelling. It is a deeply shameful blight on our society and can no longer remain ignored and unaddressed.

The reason we have committees in this place is to ensure that issues that need to be exposed and concerns that need to be shared with our parliaments are able to be expressed openly and safely, and then responded to from the parliament and the government of the day. This report gives us an opportunity not just in this parliament but in the community to respond to something which is truly a deeply shameful blight on our society.
All senators involved in this committee inquiry were deeply affected. You have heard that today from the contributions in this discussion, and I think you will continue to hear that because it will not just be a report being brought down this afternoon; this will go on and these discussions must continue. I have been involved in a number of reports in this place and they will always live with me. There is no table of one that is more important than others. When the committee was pulling this report together, we all agreed that this was one of the most confronting experiences many of us have had, and we have had extraordinarily difficult discussions and issues brought before us in the past.

Senator Siewert talked about why the committee felt there was an absolute need to make a recommendation about a royal commission. When we were pulling that recommendation together, we also thought that we needed to make it clear to the people reading the report and hearing the arguments that this was not something that we did easily. There have been a number of royal commissions in recent times and people value the work that is done by them. For the Community Affairs Committee to actually recommend a royal commission was a major step. The reasons for doing that were the people who gave us their evidence and talked about the horror—and there is no other word to describe it—of the abuse not just individually but systematically and across the country, abuse on those who are most vulnerable, abuse on those whose voices have not been able to be heard before.

I want to quote again from the report from some of the evidence received from people who were in the advocacy area. The need for effective advocacy came up consistently. One woman said that one thing that affected her most deeply was when someone with a disability actually said to her: 'Do I have the same rights as everybody else? Do I have the right to talk about what happened to me?' No-one in our country should have to ask that question. The committee spent time in this report listing human rights declarations about why people with disability have rights, why countries—our own included—have signed up at the international level to say that we respect the rights of people with disability. We table that and say that: all the different conventions that have been signed, all the different agreements and all the different plans that have been put in place not just at the federal level but at the state level say that we will ensure that people with disabilities are being treated fairly in our country. That in itself is a challenge to us because we have all these rights. We have them itemised. We have programs and plans. But we also have the stories that came before the committee over the last six months. It is not historical. In the past, we have come to this place and talked about historical neglect and historical abuse. That needed to be exposed and those people needed to have support as to how they would live with that.

What came to this committee is abuse that is happening now—abuse in institutions, in group homes, in living areas, in areas where people are supposed to be safe when they are receiving care, where their country has said, 'This is a safe place for you to be.' They and their families accepted that because we told them that. Our nation, our parliament and our governments have told them, 'You will be safe and we will make sure that that happens.' But it did not happen. And it is not just in isolated cases. It is not in remote areas. It is not in areas that we cannot visit or see. The issues brought forward in this inquiry happened in the centre of our cities, in our suburban areas and across Australia. It is not good enough.

Senator Siewert spoke about the rose that we are all wearing today. The Perth hearing of this inquiry took evidence from a group known as the Bolshy Divas, an incredible group of
sheilas—and I think you would enjoy meeting them, Acting Deputy President Bernardi—who work with disabilities and women and ensure that their voices are not silent. One of the very many confronting episodes was when the women came into the hearing and very quietly just read out the evidence—and I will talk further about that when we have the chance. They lay roses in front of the committee and told the account of a person with a disability who had been abused.

The stories are confronting, tragic and overwhelming in many ways, but they are no longer hidden and they are no longer dismissed.

For this rose, thank you to the secretariat. We have said before that, for every piece of confronting experience that we on the committee have shared, the people working in our secretariat have done more so, because they have developed relationships with people who have been putting in submissions and they have shared relationships with people on the phone, working through the questions of how they come to give evidence, what they can do and, in fact, whether they have the right to be there. The Bolshy Divas made sure that in 40 cases—not individual cases but many groups of people—their names and experiences were put on record and everyone was represented by one of these roses. The secretariat very cleverly managed to salvage some of them from the room, something I did not think about. I did not think of gathering them together, but the secretariat did, and they provided them to us, so they will live with us as a remembrance of the experience that we have had through this committee.

So we had the challenges, and we will have the opportunity to talk about them more. I will put on record the issue of data, because the data should be there. It should not need a group of women to come into a committee with roses to ensure that the data is there about these cases, what caused them, where it happened and what the responses from the various state authorities were. The response to this inquiry will need the engagement of every state and territory with the federal government to work together to ensure that we can build an effective national safety framework that will make sure that this will not happen again, so that no longer will people have to ask whether they have the right to make a complaint and no longer will we have to ask what has happened in the state of Queensland, my own state. There will be effective data on where institutions have acknowledged abuse, what they have done about it and how the future operations will happen. At this moment we do not have that, and that is replicated across every state. So I will talk about data, because data is not just evidence that is put out—not just figures and numbers. Data reflects the lived experience of people who are in our system, and it does not matter whether it is about this issue or others. Data is the extraction of information that we can do better. So, if we can do one thing apart from having a royal commission, we must ensure that the data is accurate and maintained.

I seek leave to continue all of our remarks, because there will be many more opportunities to talk about this inquiry.

Leave granted; debate adjourned.
BILLS

Aboriginal Land Rights (Northern Territory) Amendment Bill 2015
Aviation Transport Security Amendment (Cargo) Bill 2015
Health Insurance Amendment (Safety Net) Bill 2015
Maritime Legislation Amendment Bill 2015
Maritime Transport and Offshore Facilities Security Amendment (Inter-State Voyages) Bill 2015

First Reading

Bills received from the House of Representatives.

Senator FIERRAVANTI-WELLS (New South Wales—Assistant Minister for Multicultural Affairs) (17:33): These bills are being introduced together. After debate on the motion for the second reading has been adjourned, I shall move a motion to have the bills listed separately on the Notice Paper. I move:

That these bills may proceed without formalities, may be taken together and be now read a first time.

Question agreed to.

Bills read a first time.

Second Reading

Senator FIERRAVANTI-WELLS (New South Wales—Assistant Minister for Multicultural Affairs) (17:34): I table a revised explanatory memorandum relating to the Aboriginal Land Rights (Northern Territory) Amendment Bill 2015 and I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

ABORIGINAL LAND RIGHTS (NORTHERN TERRITORY) AMENDMENT BILL 2015

It is my pleasure to introduce the Bill to this chamber. The Bill reflects this Government's ongoing commitment to empowering Indigenous land owners and community members with localised decision making, particularly about the use of their land. It enables Indigenous land owners and community members to play an integral role in fostering economic development in their communities, and move them closer towards owning their own homes.

The Bill also demonstrates the Government's commitment to recognise the ownership of land in the Northern Territory by its traditional owners. To that end, it schedules three parcels of land which will enable that land to be granted as Aboriginal land.

Delegations of Land Council functions and powers have been a part of the Aboriginal Land Rights (Northern Territory) Act 1976 since 2006 but have as yet not been used.

Delegations allow for the Land Council to agree to Aboriginal corporations, comprised of traditional owners or community members from a certain area, carrying out Land Council functions and powers in that area where appropriate.

The members of these corporations have an intimate knowledge and connection to the land in that area and the community who live on that land. Furthermore, delegations would allow the Land Councils to streamline decision-making processes with respect to activities on Aboriginal land.
This Bill will make changes to the delegation provisions to give clear requirements for corporations applying for delegations; provide clear time frames for Land Councils to make decisions about delegations; and have the Minister for Indigenous Affairs receive copies of applications.

This Bill will also repeal the ability for the Minister to override a decision by a Land Council not to delegate functions or powers, and will enable a Land Council to exercise functions or powers that have been delegated. This brings the delegations into line with standard practice and will encourage Land Councils and applicants to consider delegations as an opportunity that should be pursued.

Another element of the Bill relates to the community of Mutitjulu which is located on Aboriginal land in the Northern Territory and in 1985 was leased by the Uluru-Kata Tjuta Land Trust to the Director of National Parks for 99 years. Because of the nature of the lease to the Director of National Parks, tenure arrangements in Mutitjulu are irregular, uncertain, and inconsistent with other communities on Aboriginal land in the Northern Territory.

In order to resolve this issue, this Government, through the Minister for Indigenous Affairs, has been working in close cooperation with the Mutitjulu community, traditional owners and the Central Land Council to negotiate a sublease which will provide certainty of tenure in Mutitjulu.

The Bill amends the Land Rights Act to allow the Executive Director of Township Leasing, on behalf of the Commonwealth, to hold a sublease of Aboriginal land.

The Bill also makes provision for the Executive Director to transfer this sublease of Aboriginal land to an Aboriginal and Torres Strait Islander corporation, and for that corporation to transfer that sublease back to the Executive Director. Any such transfers will need to be in accordance with the terms of the relevant sublease.

The Bill allows for the Minister for Indigenous Affairs to direct that funds from the Aboriginals Benefit Account be paid to an Aboriginal and Torres Strait Islander corporation for the purpose of acquiring and administering that sublease. The Minister may also direct that such funds be paid to the Executive Director of Township Leasing if it holds a sublease of Aboriginal land.

Accordingly, the amendments contained in the Bill will allow for the subleasing of the community of Mutitjulu to the Executive Director of Township Leasing. The Bill will also facilitate a robust Aboriginal and Torres Strait Islander corporation, comprised of community members and traditional owners, holding that sublease in the future.

Certainty of tenure in Mutitjulu will allow the Mutitjulu community to take advantage of the unique economic development opportunities offered by its location in close proximity to two of Australia's most visited World Heritage sites, Uluru and Kata Tjuta. These negotiations signal the strong interest of this Government, the Mutitjulu community and traditional owners in their community's economic future.

The Mutitjulu arrangements, which contemplate transferring responsibility for holding the sublease to a community corporation in the future, are also reflective of the Government's direction in township leasing.

Similar negotiations in the Northern Territory are being undertaken between traditional owners, Land Councils and the Government to give communities with economic vision a new way forward for making land decisions. Instead of leasing their community to the Executive Director of Township Leasing, a strong community entity may instead take control of the township lease and have direct responsibility for decisions about land use in their communities. Some communities may wish to lease to the Executive Director with provision for a transfer to a community entity in the future.

This Bill will also allow for the Minister for Indigenous Affairs to vary the administrative boundaries of existing Northern Territory Land Councils, where the relevant Land Councils have requested the variation.
This will enable the implementation of agreed settlement arrangements for the Vernon Islands Land Claim, which requires the transfer of the land subject to claim from the jurisdiction of the Northern Land Council to the jurisdiction of the Tiwi Land Council, and will allow any such agreed variations to be resolved in the future.

Finally, the Bill will add parcels of land in the Wickham River area, in the Simpson Desert and in the Vernon Islands to Schedule 1 to the Land Rights Act. These amendments will enable the parcels of land to be granted to the relevant Aboriginal Land Trusts.

I commend the Bill to the chamber.

**AVIATION TRANSPORT SECURITY AMENDMENT (CARGO) BILL 2015**

The Aviation Transport Security Amendment (Cargo) Bill 2015 will amend the *Aviation Transport Security Act 2004* to ensure Australia's air cargo security arrangements keep pace with international standards. In particular, the amendments will ensure that Australia's $4.8 billion worth of air freight exports to the United States continue without disruption.

The United States obliges all airlines transporting air cargo to the US on passenger flights to examine 100 per cent of air cargo at piece-level. This means that each individual box, carton or other item in a shipment must be examined by technology or physically inspected before it is loaded onto a US-bound aircraft. This is a US Government legislative requirement. The US has recently re-evaluated Australia's air cargo security arrangements and determined that they do not meet US standards.

The Australian Government has negotiated a two year timeframe to implement the changes required by the US. This will give Australian-based exporters, freight forwarders and airlines time to adopt new security measures for the preparation of US-bound air cargo. The amendments proposed in the Bill are an important element of the Government's two part strategy to respond to the US requirements, a strategy which will be implemented in partnership with industry.

The first element in the response is already being implemented. Approved businesses are now able to examine air cargo off-airport and have this process recognised under the *Aviation Transport Security Regulations 2005*. Cargo screened under these arrangements is not required to undergo further examination at the airport cargo terminal.

The second element in the response is the establishment of a *Known Consignor* scheme under the *Aviation Transport Security Act 2004*.

*Known Consignor* is an internationally recognised method of meeting air cargo security requirements that focuses on ensuring the security of goods from early in the supply chain through to their ultimate loading onto an aircraft. It can be an effective, alternative means of securing air cargo from unlawful interference compared to the traditional methods of screening or alternative examination techniques.

The purpose of the known consignor concept is to place the emphasis for the practical implementation of security controls on the actual shipper or originator of the goods and to ensure the security of air cargo and mail as they move through the supply chain. This requires goods to be produced, packaged, stored, transported and handled in a manner that ensures their integrity and protects them from unauthorised interference from the point of origin and throughout the secure supply chain.

The *Aviation Transport Security Act 2004* establishes a regulatory framework to safeguard against unlawful interference with aviation. This includes measures to ensure the security of air cargo.

The Act gives effect to Australia's international obligations under the Convention on International Civil Aviation, also known as the Chicago Convention, in particular Annex 17 to that Convention which deals with security.
The amendments proposed by the Bill are required to establish the legal authority for the establishment of the Known Consignor category of industry participant.

The amendments clarify what is meant by cargo receiving clearance and being cleared for carriage through a secure supply chain. They will also establish a framework to enable the making of additional regulations and other legislative instruments to provide the details of the new enhanced measures.

The Government has an ongoing commitment to ensuring the safety and security of Australians and Australian interests. The Government is also committing to maintaining and growing Australia's international trade.

This Bill ensures that the Australia is positioned to deal with emerging security risks and continues to have a sound, effective and internationally recognised air cargo security framework.

I commend the Bill to the House.

HEALTH INSURANCE AMENDMENT (SAFETY NET) BILL 2015

This bill amends the Health Insurance Act 1973 to remove the two existing Medicare safety nets and the Greatest Permissible Gap, and replace them with a new and simpler Medicare safety net.

This bill will result in savings of around $266.7 million over five years.

This amendment will ensure that a strong safety net continues to protect all Australians from high out-of-pocket costs for medical services provided out-of-hospital. It will also address many of the known equity and complexity issues of the current arrangements.

The current arrangements that assist families with their expenses for medical services include the Extended Medicare Safety Net, the Original Medicare Safety Net and the Greatest Permissible Gap. These arrangements provide additional benefits to individuals and families that have high out-of-pocket costs for out-of-hospital services. The services assisted include GP and specialist attendances and services provided in private clinics and private emergency departments.

Of the three arrangements, the Extended Medicare Safety Net accounts for the majority of the expenditure.

There are a number of problems with the current arrangements which this bill seeks to address.

The current safety nets are complicated and confusing. They all serve the same purpose of assisting patients with out-of-pocket costs for out-of-hospital services. However, they work in different ways and have different thresholds. They interact with each other and can sometimes all be applicable to the same medical service. They are unnecessarily complex and difficult to understand.

The current arrangements are also inconsistent. There is a limit on safety net benefits that will be paid for some but not all out-of-hospital services. Some of these limits are fixed dollar amounts, while others are based on a percentage of the Medicare fee. This inconsistency in arrangements can be very confusing for patients and medical practitioners.

While most doctors charge reasonable fees for their services, some doctors and service providers have used the Extended Medicare Safety Net to underwrite excessive fees. This has led to increased patient out-of-pocket costs in some areas. Evidence of this behaviour was found in two independent reviews of the Extended Medicare Safety Net in 2009 and 2011 which were undertaken by the Centre for Health Economics Research and Evaluation from the University of Technology, Sydney. Both reviews found that the Extended Medicare Safety Net programme had the unintended consequence of increasing the fees charged by doctors, and that the majority of the benefits available were being paid to people living in high income areas rather than to people with significant medical conditions. The 2009 review found that for some services, for every dollar spent through the Extended Medicare Safety Net, more than 78 cents was going to health providers in the form of fee increases, whilst only 22 cents was assisting patients with their costs. Clearly, this is not an efficient use of Government money.
The current arrangements may also support less safe medical practice, such as providing complicated surgical services out-of-hospital to take advantage of the unlimited rebate available under the Extended Medicare Safety Net.

Many changes have been made to the programme to address some of these issues since its introduction in 2004, including increases to eligibility thresholds and capping of safety net benefits. Obstetric services, Assisted Reproductive Technology services and a number of other selected items were capped in 2010 to address excessive fees charged by a small number of service providers. All consultation items, including for GPs and specialists and a number of other selected items were capped in 2012. More recently, in January 2015 the upper threshold of the Extended Medicare Safety Net was increased to $2,000.

However, these changes have contributed to the complexity of the programme and have not addressed all issues. At the moment, medical services are not uniformly capped which means excessive fee inflation can still occur to services that are uncapped. For example, immediately after the capping of the safety net benefit for a cataract surgery service, the provider fee for an anaesthetic for cataract surgery increased greatly, in some cases by almost 400 per cent. Furthermore, some people reach their threshold almost immediately due to the unlimited amount of out-of-pocket costs that count towards the threshold. This makes the consumer relatively insensitive to the further fees charged, allowing for fee inflation.

The time is right to replace the complex, inefficient Medicare safety net arrangements with a new Medicare safety net. The new Medicare safety net will strengthen the system for patients into the future while contributing to a more sustainable Medicare system. Its design has been informed by the findings of two independent reviews; ongoing consultation with the medical profession since the introduction of the Extended Medicare Safety Net in 2004; and concerns raised by patients.

The new Medicare safety net will continue to provide an additional benefit to families and singles for out-of-hospital Medicare services once an annual threshold has been reached. Unlike the Extended Medicare Safety Net, the amount of out-of-pocket costs per service that count towards the threshold will have a limit, as will the amount of safety net benefits paid per service to qualified people. This will restrict excessive fee inflation by medical providers. These limits are universal, unlike the ad hoc capping arrangements for the Extended Medicare Safety Net. Importantly, although there will be a limit on the accumulation and benefits payable for each individual service, there is no limit to the total safety net benefits that can be paid to a person in a year.

Currently families are able to pool their out-of-pocket costs to reach the safety net threshold sooner. This arrangement will continue and in addition non-concessional singles will have a lower threshold than most non-concessional families. This acknowledges that people who are single and not part of a family are required to meet their health costs on their own, but do not always have access to the significant Government support provided to Concession Card holders.

The thresholds to access the new Medicare safety net will be significantly lower than the current thresholds for the majority of people. More people will receive a safety net benefit than under the current safety net. The new thresholds in 2016 will be $400 per year for singles and families that are concession card holders, $700 for families eligible for Family Tax Benefit Part A and non-concessional singles and $1,000 for non-concessional families.

In response to concerns about the Extended Medicare Safety Net that have been raised by the public, changes have been made to assist families where members are living apart due to ill health, as often occurs in nursing home arrangements. Under the new Medicare safety net, couples who are living apart because of ill health or infirmity will be able to register as a safety net family and pool their out-of-pocket costs to reach the threshold sooner.

The administration arrangements for families where some members are concession card holders and some are not will be streamlined to the benefit of those families. The definition of a dependent will also
expand to allow youths aged 16 to 25 who are temporarily unable to study full time due to ill health to be considered part of the safety net family.

In summary, this bill will introduce a new, carefully designed Medicare safety net which will allow the Government to continue to support singles and families experiencing high out-of-pocket costs, while streamlining the Medicare safety net arrangements and contributing to the sustainability of Medicare.

MARITIME LEGISLATION AMENDMENT BILL 2015

Australia has the 5th largest shipping task in the world. 99 per cent of our imports and exports are carried by ships. As a Government it is our duty to ensure that our laws for prevention of marine pollution are adequate, up to date and consistent with international law.

Today I introduce to the house the Maritime Legislation Amendment Bill (the bill) that will implement measures to amend and correct errors in Australia's maritime legislation ensuring our domestic obligations are aligned with various international conventions under our international obligations stemming from the International Maritime Organization (IMO).

The bill will amend four principle acts, namely the Protection of the Sea (Prevention of Pollution from Ships Act 1983), known as the POTS Act; the Navigation Act 2012, known as the Navigation Act; the Protection of the Sea (Civil Liability for Bunker Oil Pollution Damage) Act 2008, known as the Bunkers Act; and the Protection of the Sea (Civil Liability) Act 1981, known as the CLC Act.

Of particular importance is the amendment to the Navigation Act, whereby the definition of 'dangerous goods' is amended to align with the current definition of dangerous goods as defined in Chapter VII (Chapter 7) of the International Convention for Safety of Life at Sea, commonly referred to as SOLAS.

This bill also corrects minor drafting errors identified from the original drafting of the Navigation Act.

The bill will make amendments the POTS Act to replace the definition of "sea-near-a-state" that was amended as an unintended consequence of a drafting error in the Maritime Legislation Amendment Act 2012.

Importantly this bill will include an additional measure to close a loophole that has been identified in relation to the carriage of heavy grade oil (HGO) in Antarctic waters. In 2014, the Marine Environment Protection Committee of the IMO was made aware that a fishing vessel sank in the Antarctic while carrying HGO in its ballast tank for later use as fuel once the ship had left the Antarctic Area (a ballast tank assists with ship stability and would ordinarily hold water). The flag State of this vessel did not take action, as they interpreted the regulation as not extending to banning HGO carried as ballast. This interpretation / loophole is inconsistent with the original intent to minimise the presence of HGO in Antarctic waters to the maximum extent practicable. It also highlighted the real risk to the Antarctic area since this loophole was brought to light as a result of this serious incident. As such, this amendment will close that loophole ensuring Australia's Domestic legislation is consistent with our obligations at the International level.

The Department of Infrastructure and Regional Development identified a drafting error in the Bunkers and CLC Acts that affects the Australian Maritime Safety Authority's (AMSA) ability to take enforcement action against vessel operators who do not carry appropriate insurance certificates. This bill will correct the errors in the legislation, which will allow action to be taken by AMSA against non-compliant vessel operators. Currently the Bunkers and CLC Acts do not accurately specify the appropriate certificate which is to be maintained by a vessel operator.

I commend this bill to the Senate.
The Maritime Transport and Offshore Facilities Security Amendment (Inter-State Voyages) Bill 2015 will amend the Maritime Transport and Offshore Facilities Security Act 2003 to remove Australian regulated ships that are used solely for inter-State voyages from the existing regulatory regime.

The Act establishes a regulatory framework to safeguard against unlawful interference with Australian ports, maritime transport and offshore facilities. It gives effect to Australia’s international obligations under the International Convention for the Safety of Life at Sea 1974 and the International Ship and Port Facility Security Code.

Currently under the Act, all Australian flagged ships of 500 gross tons or more; or that carry 13 or more passengers on international and interstate voyages are security regulated. They must have a Ship Security Plan which includes a security assessment of their operations that provides information on the security measures that the ship has put in place to prevent unlawful interference and the action they would take if an incident occurs.

At present, Australian flagged ships that travel on domestic interstate voyages incur costs due to security regulation that are not incurred by (unregulated) Australian flagged ships that only undertake intrastate voyages. This is despite there being arguably no increase in security risk as a result of crossing a domestic state border.

Australia has no obligation to security regulate interstate shipping and there is limited benefit in continuing to do so. The security risks will not change if the existing regulatory regime is removed. The proposed deregulation action will remove the disparity between intrastate and interstate shipping and provide an estimated saving to industry of $938,000 per year.

It is in the public interest to continue security regulating passenger and vehicle ferries used for inter-State voyages due to the nature of their operations in transporting large numbers of passengers and vehicles. Therefore, it is proposed to develop appropriate amendments to the Maritime Transport and Offshore Facilities Security Regulations 2003 to continue the security regulation of such ships.

The Government is committed to ensuring the safety of the travelling public and advancing our maritime trade interests.

Ensuring Australia’s maritime transport sector is secure and efficient is central to those outcomes. As such, the maritime transport security regulatory framework is regularly reviewed to ensure it is responsive to changes in the maritime security environment.

This Bill has no impact on the security obligations of foreign-flagged ships under the Act.

I commend the Bill to the Senate.

Debate adjourned.

Ordered that the bills be listed on the Notice Paper as separate orders of the day.

Tax Laws Amendment (Gifts) Bill 2015

First Reading

Bill received from the House of Representatives.

Senator FIERRAVANTI-WELLS (New South Wales—Assistant Minister for Multicultural Affairs) (17:35): 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 FIERRAVANTI-WELLS:** I seek leave to move a motion to exempt this bill from the bills cut-off order.

Leave granted.

**Senator FIERRAVANTI-WELLS:** I move:

That the provisions of paragraphs (5) to (8) of standing order 111 not apply to the bill, allowing it to be considered during this period of sittings.

I table a statement of reasons justifying the need for this bill to be considered during these sittings and seek leave to have the statement incorporated in *Hansard*.

Leave granted.

The statement read as follows—

**STATEMENT OF REASONS FOR INTRODUCTION AND PASSAGE IN THE 2015 SPRING SITTINGS**

**TAX LAWS AMENDMENT (GIFTS) BILL 2015**

**Purpose of the Bill**

The purpose of the Tax Laws Amendment (Gifts) Bill 2015 is to list the National Apology Foundation Ltd and International Jewish Relief Limited as deductible gift recipients.

**Reasons for Urgency**

The measure was announced in the 2015-16 Budget. Passage within 2015 is sought to give certainty to taxpayers and the organisations which will become deductible gift recipients by the passage of this bill. Passage of this bill will enable taxpayers to make tax deductible gifts to the listed organisations.

Question agreed to.

**Second Reading**

**Senator FIERRAVANTI-WELLS** (New South Wales—Assistant Minister for Multicultural Affairs) (17:36): 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—

This Bill amends Division 30 of the *Income Tax Assessment Act 1997* to add two entities as deductible gift recipient specific listings from 1 January 2015: National Apology Foundation Ltd and International Jewish Relief Limited.

The National Apology Foundation Ltd will endeavour to sustain the spirit and the substance of the National Apology to Indigenous Australians to future generations of Australians.

The International Jewish Relief Limited helps impoverished and struggling Jews, and strengthening Jewish response to worldwide humanitarian crises and disasters to communities regardless of religion and geography.

By obtaining deductible gift recipient status, these entities will be able to attract additional public financial support for their activities, as taxpayers can claim an income tax deduction for certain gifts to deductible gift recipients.
REGULATIONS AND DETERMINATIONS
Small Pelagic Fishery (Closures Variation) Direction No. 1 2015
Disallowance

Senator WHISH-WILSON (Tasmania) (17:36): I move:

That the Small Pelagic Fishery (Closures Variation) Direction No. 1 2015, made under subsection 41A(3) of the Fisheries Management Act 1991, be disallowed [F2015L01450].

This motion I have moved is to disallow a set of regulations that were tabled on 12 October. Those of us in this place understand that all senators have the right and the privilege as parliamentarians to move to disallow regulations within 15 days of them being tabled in the Senate. This disallowance is quite simple. It is to stop a new set of regulations that remove an existing night ban on fishing by the supertrawler called the Geelong Star.

I want to make it very clear to those who may read this Hansard or who may be listening to this debate that this is a function of being a senator: having the right and the privilege to move a disallowance. But it is not something to be taken lightly. We are here as elected representatives for our voters, for our members and for those who share the same values as we do. On top of that, and most importantly, we are here to represent our state. In my case, that is the state of Tasmania. I know that this issue is not just something that people feel strongly about to the point where they may disagree in arguments. They actually go out of their way to tell you that they have significant concerns over the operation of large factory freezer vessels in Australian waters.

The next thing I want to point out is that the government have an existing ban in place for supertrawlers. The legislation was brought to parliament, to both houses, last year, and they implemented a ban on large factory freezer vessels over 130 metres in length. I have yet to receive an explanation at all from the government or from AFMA as to how that 130-metre limit was set. There has been no explanation about how a trawler that is slightly less than 100 metres is any less dangerous to marine life than a boat over 130 metres. Nevertheless, we still have acknowledgement from the government that these kinds of vessels should be banned, so they banned vessels longer than 130 metres.

Why have they banned these vessels? I can just guess that they have also received feedback from communities around the country, from fishing communities, from conservationists and from seaside communities, that they have grave concerns over very large factory freezer vessels operating in our waters, taking and targeting small pelagic fish. These fish are essentially in the base of our food chain in the ocean for a lot of other species of fish—target species of fish for recreational fishers—and of course for marine life such as dolphins, seals, penguins and seabirds. They all feed on these building-block fish, the small pelagics.

The government may also be concerned about the international reputation of these vessels. These are vessels that have helped break the ocean everywhere they have fished. They have plundered the seas all around the world. That could be a reason that the government do not want to see these kinds of vessels. But also they know that this is a slippery slope to seeing a lot more industrial fishing in this country, industrial fishing that may allow other supertrawlers to come here and that may increase the total allowable catch for small pelagic fish.
fish into the future. We have seen a lot of pressure and a lot of lobbying and an enormous amount of debate in the Senate and around the country about the arrival of the Margiris, or Abel Tasman, and the current supertrawler, the Geelong Star. We have seen an enormous amount of debate.

Clearly, the Liberal government have facilitated the arrival of both these boats. They have been champions of supertrawlers. It concerns a lot of people, given the public discomfort and in some cases even outrage over the arrival of these boats, that nothing is going to stop them, and we will see a lot more of them into the future.

For me, it really hit home to me last Christmas when I was lucky enough to sail on a boat in Sydney to Hobart race. I was on a yacht, and I was hundreds of kilometres off the coastline, off Tasmania. Acting Deputy President Bernardi, you have been there yourself. I remember seeing one of these bait balls—what fishermen call bait balls—where a lot of the small fish are schooling. You can spot them from a mile away because seabirds come from every direction. When you get close to one, and we sailed close to one, you see the dolphins. I even saw pilot whales. You see seals, and of course fairy penguins are another example. They feed on these fish, and it is amazing to watch.

You can imagine that a large factory freezer vessel out there catching these fish is going to have impacts on the marine life that also feeds on those fish. This was pointed out to us by the independent scientific panel that was set up by Labor on the arrival of the first supertrawler, when it looked at the potential impacts of this kind of fishing activity. It made it very clear that these were risks that needed to be addressed and that these kinds of marine life feeding on these small pelagic fish would be impacted by this kind of fishing activity.

To me, it really hit home. Where my family and I go for our summers and where I go surfing with my kids, every night when my kids were young we would go and watch the fairy penguins. They leave at sunset, and they go out. They catch these fish, and they come home, and they feed their young. Those are the same fish that are going to be targeted by this vessel. People think through these kinds of things, and they wonder what impact a future of industrial fishing in this fishery will have for marine life.

We then have to ask ourselves why, with the arrival of the Geelong Star, a smaller boat than the Abel Tasman, at slightly less than 100 metres, this boat was allowed to go fishing without the proper precautions being put in place to prevent the bycatch of seals, dolphins and other marine creatures. This is what we are debating here today. This is ultimately what this disallowance motion is about. The Greens feel very strongly that we should take the strongest possible precautions to protect especially cetaceans such as dolphins, and seals and other marine life—the strongest possible protections.

Why do we protect dolphins and seals? People may not be aware, even in this chamber, that dolphins and seals are protected under Australian law. They are protected. It is an offence to harm a dolphin. The maximum penalty is two years in jail or a $180,000 fine. Seals are also protected with similar clauses under a different section of EPBC. The fishing industry gets an exemption. They are allowed to kill dolphins and seals, but to do that they have to have a fisheries management plan in place—a vessel management plan.
In the case of the *Geelong Star* a vessel management plan was put in place but minister Hunt has to sign off on it. I will read how the minister may accredit plans, regimes or policies if the minister is satisfied:

(f) the plan, regime or policy requires persons engaged in fishing under the plan, regime or policy to take all reasonable steps to ensure that cetaceans are not killed or injured as a result of the fishing …

When the *Geelong Star* arrived here it went out on its first weeks of operations and killed nine dolphins, including four dolphins in one throw of its net, and 12 seals—not to mention 10 tonnes of other bycatch that was later discarded. The 'proverbial' hit the fan and a number of mitigation measures were put in place to protect protected species in this country—dolphins and seals.

Essentially, two things were done. A night ban on fishing was put in place because that is when there is most activity in the small pelagic fishery, especially closer to the surface. That is when the dolphins and seals are most active and it is also when it is harder to see these protected species around the nets. Another mitigation measure put in place was essentially a move-on clause—a sting in the tail—where if a dolphin was killed the supertrawler would have to leave that area for six months and fish somewhere else. So there were two mitigation measures in place, and I have to say I felt very glad they were put in place. I remember being outraged and speaking to the media, and it was not just me. Minister Hunt came out and spoke to the media and said very similar things. I have his quotes here in front of me. He said that 'dolphin bycatch is simply unacceptable'. I am glad our environment minister came out and made such statements. This is only part of his quote as it is too long for me to read, but he said:

I would hope that the position that myself and others have taken—

that is, the precautions I have just talked about—

has compelled AFMA to put in place a really tough restriction with some very final points that if there are any more failures then there will be big consequences. They’ve already imposed consequences but they’ll go further. The dolphin by-catch is simply unacceptable.

So we have an environment minister that is speaking out on behalf of protected species as I would expect him to.

The next question is: why was the night ban lifted? Let's make it very clear. There is no science behind the protection of dolphins and seals. It is not about them being endangered or critically endangered. We protect them under our laws because we value them. People love dolphins and they love seals. They have an affinity with them. They have a very strong affinity with highly intelligent, highly social marine creatures. That is why they are protected. That is why if I were to shoot one with a spear gun and drag it up on the beach I would hope there would be someone there to protect me, because I do not think people would be very happy. They are protected in this country for a good reason: basically, we love them. As a surfer I especially feel I have a very close affinity with dolphins and seals.

It is also worth pointing out that, in the reporting period we have seen already, the *Geelong Star* has accounted for nearly three-quarters of the dolphin mortalities by the fishing industry over the first reporting period—

*Senator Ruston interjecting—*
Senator WHISH-WILSON: That is correct, and I could give you that later, Senator Ruston. So this is a high-risk fishing activity, as is pointed out by the independent scientific panel. The Greens and others feel we need to take the strongest possible protections for cetaceans that are protected under our laws—for dolphins and seals. They are high-risk bycatch, and we need to do whatever we can.

I am concerned about the precedent of removing the night ban. I asked AFMA directly at estimates why the night ban was removed, and they were very open and honest with me. They were not trying to hide anything. We talked about how site was important and how at nighttime you cannot see things such as dolphins and seals. We talked about the seal excluder device and for incentives to get the vessel to basically do whatever it takes to mitigate. We said:

Senator WHISH-WILSON: You implemented a night ban on fishing for the Geelong Star?
Dr Rayns: Yes.

Senator WHISH-WILSON: Did that work?

Dr Rayns: It worked in the sense that it did not lead to any further dolphin mortalities. However, we also have to balance that with enabling the vessel to fish and bearing in mind that we are trying to balance a set of regulations to make sure we are protecting protected species and, at the same time, reasonably allowing the vessel to fish.

So AFMA made a decision, and I understand that they consulted other stakeholders. They made a decision that the economics of this boat, this supertrawler—I am not sure how many Australians it employs or how much tax it pays as a foreign vessel, but we know that it is planning to sell its fish to Africa—had to be balanced against the protection of protected species. Some people have different views from me on which is more important or where that balance should lie, and clearly my party’s view is different from AFMA’s. We feel we should take the strongest possible protections, including maintaining a night ban.

Let me wrap up in the next five minutes by saying AFMA’s own media release from the time when the night ban was put in place was that it was a logical mitigation measure. But the companies lobbied have it removed; the supertrawlers lobbied to have it removed, and now it is no longer necessary because there are other measures in place, such as a move-on clause.

I am concerned that if we do not make a stand on this night fishing ban the next thing is going to be a dolphin move-on clause and that is going to be lobbied to be removed. AFMA have not confirmed—I would be happy for the minister to confirm today if she wishes to—that observers are even going to stay on this boat. It was only for 10 trips initially. We put pressure on them and AFMA said the observers would stay on the boat for 12 months. That is up soon; what happens after that? How much more lobbying is going to occur around these regulations? How can we have any certainty, and how can the public have any certainty around these regulations? The government themselves put these regulations in place. They put the night ban in place, and they said it was the right thing to do.

Senator Colbeck, on his own website, said that the night ban was an important measure to protect dolphins and seals. He said that on his own website. All we know is that it has been removed because of the economics of this operation, and that is a decision that has been made by AFMA. Even if it is in relation to consultation with other experts, it is the balance in the fishery between letting the boat fish and protecting protected species that AFMA has made this decision on.
What we are looking at here today is actually quite simple, and we have got a simple decision to make—a very important value judgement. Do we back the economics of what is, I think, a very divisive and unpopular fishing activity, being a large industrial factory freezer in our waters? I personally question the benefits of that fishing activity. Or do we look after our loved marine life?

I have, through freedom of information, copies of conversations between the AFMA observers who were on board the boat when the dolphins and seals were originally killed. I have copies of those. They are actually quite compelling. I felt sorry for the AFMA observer who, at one stage, actually said in exasperation, 'There really isn't anything further we can do to prevent the deaths of these dolphins and seals.' At that stage there were 42 seals around the net. But they made it very clear, and I am happy to give the minister copies of these conversations. It is a whole chain of emails around when the proverbial hit the fan and the boat's first few weeks of operations. There is even pressure shown in those first few weeks by the company to reduce the aperture on the seal-excluding device, because up to 30 per cent of their fish were actually swimming out of the nets because the seal-excluding device was too wide. Even with the device that wide, they were still killing dolphins and seals.

We will probably hear from the minister that since the night ban has been lifted there have been no more dolphins killed. I would like to know if there have been any more seals killed, because they only get reported every three months and we have not had an update for some time. But remember: this ban was only lifted seven weeks ago. Looking back and saying, 'There have been no dolphins killed since late June,' that is because there was a night ban in place. I do not think it is unreasonable for us, when we are representing the people who voted us in, and the constituencies in our state that have significant concerns around this, to raise these issues in parliament. I would like to see the strongest possible protections for dolphins and seals kept in place for this boat. I believe I speak on behalf of a lot of Tasmanians and no doubt other people around the country. We have protected species in this country for a reason, and I think the simple reason is: these sea creatures are valuable to us. They are valuable to each and every one of us. I welcome the debate from the minister and from other senators, and I look forward to the vote.

Senator JACINTA COLLINS (Victoria) (17:57): Labor will vote to reinstate the night-time fishing ban on the trawler the Geelong Star. We understand this will be very disappointing to the company involved; however, the Turnbull government has failed to act to put in place the proper rounds of public consultation and to respond to the expert panel's report to ensure that the broader community can be reassured that mid trawlers the size of the Geelong Star with refrigeration capacity can fish in our pelagic fisheries without threats to the sustainability of those fisheries and indeed threats to our marine environment more generally.

When the former Labor government banned the supertrawlers for two years, it put in place requirements that an expert panel review be undertaken to look at the future of the sector. That report was delivered to the new government in October 2014. Yet the government has been sitting on that report ever since. The panel said that there were still some unanswered questions involving the risks over sub trawlers and proper risk management programs would have to be put in place if they were to be fishing sustainably. The Turnbull government has failed to respond to the experts report.
Labor has tried other pathways to deal with this issue, including a private members/senators bill and the initiation of a Senate inquiry. So the fate of the Geelong Star is in the hands of the Turnbull government. There will be people disappointed but we stand with the overwhelming majority of Australians who are very concerned about the marine environment, very concerned about the sustainability of our fishing stock and our environment more generally. Labor will stand to protect the environment and we will continue to do so unless someone presents to the industry and to the broader community a risk management plan and capacity to allow the big mid trawlers to fish without any threats to our marine environment.

Senator RUSTON (South Australia—Assistant Minister for Agriculture and Water Resources) (17:59): Firstly, I want to put on the record that the Australian government supports a robust management system for our fisheries to ensure that our fisheries are sustainable and available for everyone who wants to share in this resource. I would like to emphasise the comment about it being a shared resource. This is not a resource for any one member of our community or one sector in our community. There are a number of people who have every right to have access to our fisheries, as long as they are sustainably managed and appropriately managed. We have recreational fishers who like to go and throw a line over the side. We have game fishers who have a commercial stake in the fishery. We have commercial fishers who catch fish. We also have the public, and I think it is my responsibility, as much as anything, to stand here and represent the public of Australia who would like to go into a shop at night and buy fish that they can serve their children for dinner. We need to ensure that everybody who has a stake in this fishery has the opportunity to participate.

Tonight, the debate is not about whether this boat should fish or not fish. The debate tonight is about the removal of a temporary ban that was put on the boat as a precautionary measure following a number of our sea mammals being caught by this boat when it first began to fish. I want to make sure that we are very clear about this: we are here tonight because there is a direction before this parliament to allow the lifting of the ban of night-time fishing on the Geelong Star.

I want to put some facts on the record without the spin and the misinterpretation and the emotion that have been put into it by one of the previous speakers. There was no doubt that there was an unacceptable catch of dolphins when the boat first began fishing in the Small Pelagic Fishery of Australia earlier this year. There were eight dolphins caught. It was considered by the government and considered by AFMA, the independent regulator, that that was an unacceptable level and that something needed to be done immediately.

As a precautionary measure, two things were put in place. Firstly, there was a ban put on night-time fishing because it was believed that it was more likely they would catch the dolphins at night. This was not based on science. This was a knee-jerk, precautionary action taken because we believed that the level of dolphins that were being caught was unacceptable. Subsequent to that, there was also a new condition placed on the boat that if it caught a dolphin in any of the fishing zones around Australia there would be an immediate six-month ban on the boat fishing within that fishery. It did not matter whether the dolphin was caught during the day or whether it was caught at night—exclusion from that zone would exist for a six-month period. Subsequent to this being put in place, one dolphin has been caught. That
dolphin was caught and that triggered the immediate exclusion of the *Geelong Star* from that zone, and it has not been able to fish in that zone for six months. It will not be allowed to fish there again until the middle of December, when the six-month period is up.

At the time, because it was a quick-reaction, precautionary activity that was undertaken, the Australian Fisheries Management Authority sought to take some in-depth research and analysis into why these dolphins were being caught. Subsequent to that, the *Geelong Star* has had a number of other regulations, actions and requirements put onto it. We need to remember that this boat is the most heavily regulated boat in the Australian fishery. There is no other boat in the whole of the Australian fishery that has more regulation than this boat. At all times, it carries two observers from AFMA, and I can assure Senator Whish-Wilson that there is no intention for those observers to no longer be required to stay on the boat.

But I also should point out that the *Geelong Star* themselves have an observer. They also have cameras on the boat and on the nets. These are monitored at all times. There is absolutely no capacity for this boat to catch a dolphin and for no-one to know about it. That is just an unreasonable proposition. The other really good thing is that these observers are also undertaking scientific research while they are out on the boat so that we can make sure that we understand better, at firsthand and with close observation, what this fishery is doing. In addition, there was a requirement undertaken at great expense by the boat to increase the level of excluding devices that are on the nets—they have changed nets—to make sure that the boat has the least possible chance of being able to interact with a sea mammal.

As Senator Whish-Wilson rightly pointed out, since 17 September when the ban was lifted on the operation of the boat there has not been an interaction with a dolphin. So, quite clearly, the decision for the ban to be lifted has not resulted in any adverse reaction in relation to any dolphins being killed.

The overwhelming majority of the evidence that was gathered by the Fisheries Research and Development Corporation and AFMA in analysing whether this ban was something that was necessary suggested that, because the boat fished largely at night, the interaction with the dolphins was likely to happen at night. It is a little hard to catch a dolphin during the day when you are not fishing during the day. But I do point out that the dolphin that was caught in June was caught during the day.

We believe that the exclusion from a zone and the punitive action put on this boat should it catch a dolphin in any fishery is very severe. It is probably the most severe punitive action you could possibly take on any fishing vessel. To say that if it had an interaction with but one of these mammals it cannot fish there for another six months is a very significant action. As I said, it is a massively regulated boat. It has observers. It has the most up-to-date, state-of-the-art devices on it to prevent these dolphins from being caught. I repeat again: this boat has not caught or had an interaction with a dolphin since it has been fishing at night again for the last couple of months.

The other thing I would also point out is that the length of the boat has nothing to do with how it catches fish. This obsession with how long a boat is seems a little silly, because whether a boat has a freezer is completely irrelevant to how it catches fish. The most important thing is the quotas that are put in place to make sure that we maintain the sustainability of our fishery. I point out that the quota that is allocated for the Small Pelagic Fishery is an extraordinarily conservative quota. It is believed that the quota allowed to be
caught is somewhere between six and seven per cent of the biomass. It is a very small number.

This particular boat has a quota within the broader total allowable catch within this fishery. The boat cannot catch any more fish than its quota. If I sent out 17 little boats that caught 1/17th of the quota, as opposed to sending out one big boat that catches the quota, there would be no less fish caught by the little boats and there would be no more fish caught by the big boats. So it is not the size of the boat that matters; it is how the boat fishes and the conditions under which it fishes. I think we just have to get off the table any suggestion that the length of the boat has anything to do with it. It is the size of the nets, the method of the nets, where it fishes, what its quotas are and a whole heap of other things that go towards it.

We are very proud of having one of the world's best-managed fisheries. We are recognised around the world for how we manage our fisheries. If we now start attacking what is recognised as one of the most highly regulated, best-managed fisheries in the world, what sort of message are we sending to the rest of the world about our fisheries? We are sending this scaremongering message to the world, to say: 'It doesn't matter how good you are; we're quite happy not to worry about the science; we're not going to worry about whether the fishery is sustainable; we're just going to go on with an emotive argument.'

I take all of the issues that Senator Whish-Wilson has put on the table and accept that there is definitely a very strong public sentiment that the public out there do not want to see our dolphins harmed or killed. I do not think there is anyone amongst us who would not agree with that. But, if we can put in place conditions and regulations that almost entirely prevent any of these unfortunate deaths of dolphins occurring, then surely we should be seeking to maximise the opportunity for Australia and our wonderful fisheries so that we can feed not just ourselves but the world and we can have a fishing industry that is free from the sovereign risk that constantly gets placed on us as a country if we make decisions that are not based on science.

Obviously I am very keen for the directive that is before this place at the moment to be upheld and to allow the ongoing night fishing of the Geelong Star. I say so for a number of reasons but most particularly because I think that there is the opportunity for us to go forward and operate our fisheries in a collegiate way with all the people who have every right to participate in the shared resource which is our fisheries. They should be allowed to do so. If we take these sorts of actions without basing them on science, without looking at how the boat catches and how much the boat catches instead of worrying about how long the thing is, I think that we are actually making very bad policy decisions.

I am very keen to see this disallowance motion overturned so that we can get on with managing our fisheries in the best possible way and can continue to manage our fisheries based on science, sustainability and access for everybody who has a right to have part of this fishery. I would like to formally put on the record that the government will, obviously, be opposing this disallowance motion.

Senator McKIM (Tasmania) (18:10): I rise proudly to support Senator Whish-Wilson and the rest of the Australian Greens. I want to say very, very clearly that I do not support lifting the ban on night fishing for the Geelong Star. There has been a lot of discussion in this place this evening about dolphins and seals. These are beautiful, magnificent creatures. They are top predators of our marine ecosystem. As Senator Whish-Wilson said, they are protected because
the Australian people have a relationship with them, because we as a people love these beautiful, magnificent creatures. It is important that we all understand this and understand that actually parliaments exist, in significant part, to give expression to the will of the people that we represent in this place. That is what democracies are all about. Yes, it is important that we listen to advice from scientists. It is important that we listen to advice from bureaucrats, administrators and experts in the various fields of life that exist in Australia. However, the buck stops with us, and it is important that we listen to the views of the people we represent in this place. If we are not going to give effect to those views, we had better have a very good reason why we are not going to give effect to those views.

I want to put it very firmly on the record, in response to some of the minister's comments, that we are not talking here about food for Australian people. This is not about whether, when people open a fridge in Australia, they can get a bit of fish out of the fridge. The point has been made by Senator Whish-Wilson that the fish that are harvested by the Geelong Star from the Small Pelagic Fishery are exported from Australia. We do not know how many Australian jobs are created on the Geelong Star. We do not know how much tax the company that is operating the Geelong Star pays in Australia. There is arguably very little benefit, very little upside, to the Geelong Star fishing in Australia, but recent history shows us there has been quite a significant downside to the Geelong Star fishing in Australian waters, particularly the deaths of a significant number of dolphins.

I cannot avoid reflecting on the fact that the minister describes dolphin deaths as 'interactions'. Let us call spades spades in this place. Let us be honest about what we are talking about here. We are talking about dolphin deaths. It is true to say that not every interaction will result in death. However, the words 'dolphin deaths' or 'killing dolphins' did not pass the minister's mouth in her contribution. We need to be very clear here that we are talking about a vessel that was supposedly regulated according to the best science and the best regulatory advice, and it slaughtered its way through dolphins and seals. It carved a swathe through dolphins and seals. It got four dolphins in a single throw of its nets. That is what we are talking about here. This move-on condition, the exclusion from zone condition, is potentially doing nothing more than spreading out these deaths. That is what we are dealing with here.

Like Senator Whish-Wilson, I have been lucky enough to spend a fair bit of my time interacting with the ocean. I have done the Sydney to Hobart and spent a lot of time in waves around Tasmania's magnificent coastline. Like so many Australians, whether it be through sailing, surfing or fishing—which I have done a fair bit of as well—I feel a connection with our marine environment and our coastline. We should not devalue that connection in the conversation we are having about the way the Geelong Star fishes and whether or not it should be banned from fishing at night. That connection should not be devalued; it should be highly valued because, as human beings, our connection to place is one of the most important things that we have. That is why people will fight passionately to defend places they love against inappropriate developments. The people I represent, the Tasmanian people, are renowned for fighting passionately to protect the places they love, the places they have a relationship with, from what they consider to be inappropriate development. That relationship with place goes to the very heart of what it is to be a human being. Our relationship with the marine ecosystem—those places on the coastline that we love, the waterways that we love—
should be highly valued, because just as our connections to places on land define in large part who we are as people so do our connections with the marine ecosystem.

Quite frankly, whilst we should consider advice from scientists and experts and factor all of those things into our decision making, they are not the only things that we should consider when we make these decisions. Otherwise, we could have a board of scientists or bureaucrats running the country; however, we do not because, as people, we have made the decision to have a democracy where people come from all walks of life—and I look around this chamber and I see people with myriad backgrounds and skill sets, and that is how it should be—in a parliament, because we should reflect the people who elect us to this place. So I accept the importance of science and expert advice but I reject any assertion that science and expert advice should be the only considerations as we go about our decision-making processes in this place.

I want to say something about ecosystems—in fact we heard the word ecosystem mentioned in the context of innovation this morning in the Senate by a couple of government members. They talked about the innovation ecosystem—and that is a very fine description and one I have used myself in this place in the innovation context. However, I can only hope that the government understands the innovation ecosystem better than they understand the environmental ecosystem. There are serried ranks of people in this country and the world who believe correctly that old-style political parties do not get ecosystems. They do not understand that ecosystems have a level of interconnectedness that we cannot hope to fully grasp. They do not understand that, when you interfere unduly with one part of an ecosystem, that can have significant ramifications around the whole ecosystem. Exhibit A in that case of course is global warming—how humans, by simply emitting large amounts of greenhouse gases, are now seeing feedback loops kick in around the planet that will result in ever-increasing problems; not only environmental problems but human problems. Humans are a part of the global ecosystem, and in fact we rely on the complex global ecosystem for our very survival, the health of our families, the health of our communities and, for that matter, for the health of our economy—and that is a simple fact that old-style political parties do not get.

While the science may offer some level of surety to some members in this place and they may come in and make their arguments on the basis of the science that they believe is in place, I am here today to say there is more to life. There is more to our deliberations in this place than simply science. I want to express my concerns—ongoing concerns, notwithstanding the comments of the minister—around localised depletion caused by these vessels, and to equate one massive super trawler with a fleet of smaller boats catching the same amount of fish does the minister no credit at all.

While the Greens are here, we will continue to stand up for our ecosystems. We will continue to stand up for sustainable management of a range of fisheries and other natural resources in this place. But we will take the long view, unlike many others in this place, that looks not only at the impact of our human actions in the next year, the next electoral cycle or the next decade: we will sit and ask ourselves—as we all should—what is the impact of our actions today going to be on people who are alive in 50 or 100 years? Intergenerational equity is something that drives us in the Greens. It drives me as a Greens member of parliament, because I often lie in bed at night wondering what sort of a world we are going to hand over to our children and their children and their children. And, unfortunately, if we keep going on
the business-as-usual scenario with our climate and with our management of natural resources, we are going to hand over a world where our kids and their kids have far fewer opportunities than we have today. That, to use an Australianism, is simply not fair. It is not fair on them. That is why we need to make sure that the decisions we make in this place consider human life and the functioning of our ecosystem into the long-term future.

So I want to congratulate Senator Whish-Wilson for bringing this matter before the chamber today. I want to say to members that I will proudly stand with Senator Whish-Wilson and, I might add, proudly stand with the large number of Tasmanian people who have attended rallies and have campaigned against this vessel and previous iterations of the supertrawler and will no doubt continue to stand strong and continue to fight to ensure that the ecosystem functions in the long-term future and that, in the context of recreational fishing, their children and their grandchildren can still throw a line into the water in their childhood and have a reasonably similar expectation of catching a fish as we did in our childhood.

Senator MUIR (Victoria) (18:23): I understand that all fishing can present a potential risk to the marine environment and can sometimes lead to the unintentional harm of marine mammals, but I realise that it is unrealistic to cease all forms of fishing. In saying that, I hope the government and the Australian Fisheries Management Authority ensure that inclusive consultation with all relevant stakeholders is carried out and respond to the concerns across the board.

It is my understanding that a meeting between the recreational fishing sector, the Australian Recreational Fishing Foundation and the Game Fishing Association of Australia, the Australian Commercial Fishing Industry, the National Seafood Industry Alliance, the and the operators and owners of the *Geelong Star* has been arranged for Tuesday, 1 December, to negotiate a memorandum of understanding about the operation of the *Geelong Star*. These negotiations will include an agreement for the boat to avoid areas of high-recreational activity, as I understand it.

The outcome of this disallowance motion should not determine the direction of this meeting. In addition to this initial meeting, I believe the Senate inquiry into the environmental, social and economic impacts of large capacity fishing vessels—commonly known as supertrawlers—operating in Australia's marine jurisdiction is a valuable opportunity for all stakeholders to voice their opinions, and the report will be beneficial to the outcome of the memorandum of understanding.

I have listened to both sides of the debate and see the merit in both sides. I would particularly like to thank Senator Ruston and Senator Scullion for taking the time to sit down and speak to me about the government's point of view on this. However, it is important that I am representative of my Victorian constituents and their desires and, after a thorough consideration of both sides, I advise that I will be supporting this disallowance motion.

Senator WHISH-WILSON (Tasmania) (18:25): Senator Ruston, I agree with you that the size of the boats is not the important factor in this. But I am a little bit confused, because it was your government that put the 130-metre length on your ban for supertrawlers. Your ban is actually based on the size of a boat, so I am not quite sure what you are getting at there. But, if you are saying that it is actually about the operations of the boats and how they operate, I totally agree with you. We certainly have that in common on this issue.
The independent scientific panel that looked at this fishing activity warned that there were risks around potential bycatch issues. Unfortunately, those risks were borne out in a very in-your-face way in the first few weeks after this vessel arrived in this country. This is a really important point: AFMA, the Australian Fisheries Management Authority, signed off on the *Geelong Star* when it arrived in Western Australia. They checked the seal excluder device on the net and they gave it the okay to go fishing. We know that it immediately caught seals and dolphins and had to return to port. They then checked it again and allowed the boat to go fishing a second time, and the same thing happened—and it happened a third time. So the Australian Fisheries Management Authority oversaw those seal and dolphin deaths. And now you are asking us to put faith in the fact that you have got it right now and there will not be any more mortalities of protected species—dolphins and seals. That is what you are asking us to take into account here. Senator Ruston, you also mentioned that the night ban was a knee-jerk reaction. They were the words you used.

Senator Ruston: A precautionary measure.

Senator WHISH-WILSON: You used those words as well but you also used the words 'knee-jerk reaction'. As I said, I thought it was absolutely necessary at the time, and I am not convinced—and I think a lot of people I represent are not convinced—that the night ban should be lifted. We know from the evidence that we have received, including from our FOI, that visual identification of dolphins and seals is critical to their protection. They are actually the words that were used by the AFMA observers in their conversations with other AFMA people—and it is something that I have confirmed with the AFMA management. But a decision was made around the economics of this boat and achieving a balance between allowing it to fish and make a buck and the protection of dolphins and seals. We have to make a judgement today about whether we have got that balance right. I think, and the Greens think—and I am glad that Labor and Senator Muir support this—that the ban should stay in place and that we should take all possible mitigation measures to protect dolphins and seals.

I would like to point out to Senator Collins and Labor that, yes, you may feel sorry for the owners of this boat, but let's remember that it was Seafish Tasmania that brought the first supertrawler here three and a bit years ago. That literally set this country on fire—it was literally like wildfire—in terms of the reaction. That was not the first supertrawler to come here. The *Veronica* came here in 2007, and it caused the same reaction. So Seafish Tasmania made the decision to bring a smaller vessel, the *Geelong Star*—still a very big trawler—knowing what public sentiment was in this country and knowing that the independent scientific panel had said that there would be risks to bycatch and localised depletion and the impacts that might have on seals, dolphins, seabirds and other marine life and other fish. The boat came without any consultation with the rec fishing groups and with environmentalists. Had they learnt the lessons of the *Margiris* and the *Abel Tasman* and actually sat down and talked to stakeholders, then this could have been avoided. But in the end, and I do not say this with any pride, we turned out to be right. The arrival of that boat was a catastrophe for marine life.

I am glad you, Senator Ruston, have acknowledged that it was unacceptable. I acknowledge you also made the point that you—and even the people on board the boat and in fisheries—do not like to see dolphins, whales or other cetaceans and seals killed. None of us
do. I totally accept that. The question here is: have we got the balance right? I would like to see the night ban stay in place for longer, as a lot of people I represent would too.

Lastly, in relation to the videos that are on the boat, I have attempted through freedom of information to get copies of the videotape and so far, after repeated attempts, have not been successful. They are not open and available for people to view, and that is unfortunate. We are continuing to try and get copies of those, but they are not available to us at the moment even though we have made numerous FOI requests.

I hope that you are correct and that the observers do stay on board the vessel. I know it has fished at daytime for months. You have not told us how often it has been fishing at nighttime. We do not even have that data in front of us to work out the likelihood of having caught and killed dolphins in the seven weeks that the night ban has been released. Perhaps when the Senate inquiry looks at these kinds of things and more information comes to light, then we can get a lot more light shed on this.

I ask the Senate to disallow the removal of the night ban on the supertrawler Geelong Star in the Small Pelagic Fishery and take a stand to protect our marine life.

**The President:** The question is that the disallowance motion moved by Senator Whish-Wilson be agreed to.

The Senate divided. [18:36]

(The President—Senator Parry)

Ayes .................31
Noes .................31
Majority ............0

**AYES**

Bilyk, CL (teller) Brown, CL
Bullock, JW Cameron, DN
Dastyari, S Di Natale, R
Gallacher, AM Gallagher, KR
Hanson-Young, SC Ketter, CR
Lambie, J Lazarus, GP
Ludlam, S Ludwig, JW
Marshall, GM McEwen, A
McKim, NJ MeLucas, J
Moore, CM Muir, R
O’Neill, DM Polley, H
Rhiannon, L Rice, J
Siewert, R Simms, RA
Singh, LM Sterle, G
Urquhart, AE Waters, LJ
Whish-Wilson, PS

**NOES**

Abetz, E Back, CJ
Bernardi, C Birmingham, SJ
Bushby, DC Canavan, MJ
Colbeck, R Day, RJ
Edwards, S Fierravanti-Wells, C
NOES
Fifield, MP
Johnston, D
Lindgren, JM
McGrath, J
Nash, F
Payne, MA
Ronaldson, M
Ryan, SM
Seselja, Z
Wang, Z
Xenophon, N
Heffernan, W
Leyonhjelm, DE
Madigan, JJ
McKenzie, B
Parry, S
Reynolds, L
Ruston, A
Scullion, NG
Smith, D (teller)
Williams, JR

Question negatived.

BILLS
Motor Vehicle Standards (Cheaper Transport) Bill 2014
Report of Legislation Committee
Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (18:38):
On behalf of the chair of the Environment and Communications Legislation Committee, Senator Reynolds, I present the report of the committee on the Motor Vehicle Standards (Cheaper Transport) Bill 2014, together with documents presented to the committee.
Ordered that the report be printed.

Shipping Legislation Amendment Bill 2015
Second Reading

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

Senator ABETZ (Tasmania) (18:39): I was speaking on the Shipping Legislation Amendment Bill and pointing out some of the fatal flaws in Labor's legislation and the consequences of them and the need for the reform currently before the chamber. One of the examples I will use to highlight the reason for the change suggested in this legislation is that since Labor introduced these changes, which we are seeking to wind back, there has been—listen to this figure—a 63 per cent reduction in the dead weight tonnage or capacity of major Australian flag vessels with coastal licences. That 63 per cent decrease occurred between 200-12 and 2013-14. Further, around 1,000 extra administration hours per year are required for the industry to meet the red tape of the scheme.

Under the Labor legislation, the fleet of major Australians registered ships over 2,000 dead weight tonnes with coast licences plummeted from 30 vessels in 2006-07 to just 15 in 2013-14. Do we need any more proof that this legislation, which Labor foisted upon this place courtesy of the Green-Labor majority in the Senate, has failed and failed dismally. There is further evidence. The number of ships on Australian transitional general licences has dropped from 16 to just eight. Then before the Senate committee, the Maritime Union of Australia had the audacity to put in their submission that there could be a $4.25 billion benefit to the economy if there were 100 ships on the Australian International Shipping Register. Chances
are they are right, but do you know what? There ain't 100 ships on the Australian International Shipping Register, nor are there 50, nor are there 20, nor are there 10 or five, four, three, two or one. It is zero, absolute zero, and that is yet again proof positive as to the failure of Labor's legislation.

Further, between 2000 and 2012, shipping's share of Australian freight fell from 27 per cent to just 17 per cent, while the volume of freight across Australia actually grew by 57 per cent. Australia's overall freight task is expected to grow by 80 per cent come 2030, but coastal shipping will only increase by 15 per cent. So who and what are carrying this freight task for our nation? The trucks up and down the Pacific Highway and across the Nullarbor, putting extra wear and tear on our roads, with issues of road safety and extra fuel consumption. You name it, it is a loss loss in every respect, other than that coastal shipping is now so expensive that it is cheaper to use trucks rather than ships.

Under any analysis, Labor's reforms have failed coastal shipping and, unless we act now, workers whose jobs rely on coastal shipping will be sunk. Without changes to economic and regulatory settings, shipping will not be able to deliver the competitive efficient services that Australian businesses need to provide the jobs we need. In short, Labor's policy has failed and failed dismally.

A few examples of the hindrance of the current red tape: the current system requires foreign vessels to apply for a minimum of five voyages before a temporary licence can be granted, hindering the ability of one-off movements of cargo by coastal shipping. For example, a piece of heavy machinery was unable to be shipped as a single voyage and therefore a temporary licence could not be granted. The machinery was therefore moved by road, which required a police escort, due to the oversized load, and removal of overhead power lines. This was more complicated and costly than a voyage by ship but the red tape stopped it. Also, there are certain products, like LPG, which are moved exclusively by foreign ships operating under temporary licences. Get this: even though there are no Australian ships capable of carrying the products, they still have to obtain a licence. What on earth is this licencing protecting when there are no Australian ships capable of undertaking the task? These are just a number of the examples that I can point to showing where the Maritime Union of Australia foisted a policy position on the Labor-Greens government that we are still labouring under today and that is costing jobs.

Around 90,000 Australians are employed in the manufacturing sector that uses coastal shipping, including oil refining, cement, steel and aluminium. The Labor-Greens government tried to kill all these sectors with the carbon tax and it seems that, just in case the carbon tax would not kill them, they implemented this coastal shipping policy to secure the demise of these industries. The coalition will not stand for it. The coalition will do everything it can to ensure that these industries are viable and can employ our fellow Australians. Australian businesses are paying rates that can be up to double the rate offered by foreign ships, adding tens of millions of dollars to their cost base, making their operations less viable as a result and therefore making Australian jobs less secure.

There has been the suggestion that somehow we would see lesser conditions for seafarers. I simply say that the new legislation currently before us has built-in protections for Australian workers and also for wages and conditions for all seafarers on foreign ships operating primarily in the Australian coastal trade. This legislation is a test, especially for my fellow
senators from Tasmania. In Tasmania we have a proposal from DP World to create a $20 million to $30 million international shipping terminal at Burnie. What does it require? It requires this legislation to be carried by the Senate. If that happens, an international shipping service will be restored to Tasmania. That allows our product to hit international markets without having to go across Bass Strait and be transshipped to Port Phillip—something which more than doubles the cost of getting the product to international markets. This would be a great infrastructure win for the seat of Braddon and for the city of Burnie, which I note is Senator Lambie's home city. It would be a great boost to the construction sector, it would provide 40 permanent jobs as an international shipping terminal and it would also ensure that Tasmanian on-land production could get its produce to the rest of the world a lot more cheaply.

This would see substantial private sector investment. It would see our product getting to market so much more cheaply. In a competitive world, every single extra dollar of shipping will prejudice our produce on world markets. DP World believe that they could reduce the containerised freight costs to key destinations by over 40 per cent. That is a substantial reduction in the freight cost. It makes our products cheaper on world markets, it makes Tasmanian production more viable and, as a result, it increases the opportunities for Tasmanian employment. Every single Tasmanian senator is surely duty-bound to ensure that they create whatever possibility there is for the creation of Tasmanian jobs. The Burnie port would be a viable port because it has the capacity to export more containers than the ports of Adelaide or, in New Zealand, the ports of Lyttelton, Napier and Otago. All of those ports have dedicated international container terminals, and for Tasmania to be able to get something of this nature would be a great fillip to our economy, a great boost to employment opportunities. All it hinges on is Senator Lambie and the Labor and Greens senators from Tasmania voting with the government to allow this wonderful international terminal to be created, providing an immediate boost and also the ongoing boost to our production all around the state of Tasmania.

We can hear from the Launceston Chamber of Commerce, who tells us: 'Launceston and Northern Tasmania has suffered considerably from increased costs and timeliness for exports and imports of freight as a result of Labor's coastal shipping legislation.' We have heard Bell Bay Aluminium telling us the need for the changes that are currently before us. Incitec Pivot Ltd has said:

Deregulation of coastal shipping is needed to lift the competitiveness of the sector, reduce costs on business, increase flexibility and support opportunities for new investment and employment in Australian manufacturing.

The AI Group, the Minerals Council of Australia—you name it. They have pointed out the need for this change. Indeed, it is cheaper to import sugar from Thailand to Melbourne than to pay the freight task from Bundaberg to Melbourne, and you wonder why sugar farmers in the state of Queensland are doing it tough. When people come into this place and talk about jobs on the water, think about the jobs on the land that are being prejudiced and the extra costs being incurred. Cristal Mining in Western Australia, said:

We need to stop insisting on a highly regulated, costly and inefficient protectionist environment to attempt to preserve a declining coastal shipping industry because all the other Australian industries dependent on coastal freight are being disadvantaged.
This is the cost here in this equation. The Labor Party and the Greens are maniacally defending the rorts of the MUA and the extra costs associated with that which are prejudicing the jobs of thousands of Australians right around this great country.

I fully support the legislation. This is so good for our nation, in particular it is vitally important for my home state of Tasmania and a very, very exciting prospect for the city of Burnie, which is the home city of Senator Lambie. It is about time that she actually took the time to have a look at the consequences of some of her statements and her votes in this place rather than her ongoing articulation of propositions that have no basis in fact. We need jobs in Tasmania and a vote on this legislation will deliver exactly that.

Senator XENOPHON (South Australia) (18:53): I acknowledge a number of the points made by Senator Abetz in his eloquent contribution in favour of the Shipping Legislation Amendment Bill 2015. He talks about issues of inefficiencies, rorts and matters that must be attended to. But I cannot support this bill because it will have a very counterproductive effective in respect of Australian shipping. It purports to strengthen Australian shipping, but it will do the opposite. It will deskill our Australian shipping workforce. It will basically gut Australian shipping. On what argument do I rely? On what basis do I say this? Is it the MUA? Is it others who say that this is not worth doing, that it is too risky to do? No. And this is not a prop, so I will not get into trouble with you, Acting Deputy President Williams. This is the government’s own explanatory memorandum of the bill. It is a thing called a RIS, not risible, a regulatory impact statement—and it does make me risible reading this, though. It states:

Many of the operators currently operating under the Australian General Register would likely re-flag their vessels in order to compete with the foreign operators who enjoy the benefit of comparatively lower wage rates. Australian seafarer jobs would be adversely affected as Australian operators re-flag from the Australian General Register.

It goes on:
Ship operators are likely to replace Australian seafarers (paid under EA rates) with foreign seafarers (paid under ITF rates)—in other words, lower rates. The government’s own regulatory impact statement in the explanatory memorandum explains it all.

This will kill Australian jobs. This will destroy Australian jobs in the shipping industry. I acknowledge there is work to do. I acknowledge the genuineness and the concern of the Deputy Prime Minister, the minister involved, who says that we need to be more efficient. I acknowledge that. But this is not the way to do it. You do not throw the baby out with the bathwater. You do not just get rid of, effectively, the Australian shipping industry because it will gut Australian shipping. There will be no chance to get it back. There will be foreign flagged vessels with no real Australian workforce.

I acknowledge there are issues with the current licencing system for coastal shipping. This bill is not the way to overcome these issues. Inefficiencies in the licencing system cannot be rectified at the expense of mass Australian job losses. If the MUA is not efficient, if the MUA is not doing the right thing, if there are rorts involved then let's tackle those head-on. This bill will destroy Australian jobs.

This bill removes three key objectives from the coastal shipping act that make specific reference to long-term growth, efficiency and reliability of the Australian shipping. So it is actually removing those key elements from the act—growth, efficiency and reliability. These
worrying omissions have set the scene for what could turn out to be a nightmare for Australian seafarers and Australian jobs.

The Shipping Legislation Amendment Bill seeks to abolish the four permits currently available to all ships and replace them with a single permit. The result of this change will be to level the playing field, so-called, between Australian and foreign flagged ships. But we know there is no level playing field. You cannot compete with—what did Senator Rice say they get? Was it $2 an hour? It is like those two-dollar shops; those two-dollar ads.

**Senator Sterle:** The Reject Shop.

**Senator XENOPHON:** Well, this bill does not even belong in The Reject Shop. The bill's own regulatory impact statement makes the point that this will cost jobs. The story of Bill Milby from North Star Cruises struck a chord with the Australian public. North Star Cruises operates luxury passenger cruises along the Kimberley Coast. On 7 September this year, Mr Milby gave powerful evidence to the Senate's Rural and Regional Affairs and Transport Legislation Committee's inquiry into this bill. I would like to read out a portion of his evidence now. He said:

I cannot emphasise enough the difficulty Australian tour and expedition passenger ships will have in competing with foreign ships—foreign ships with a lower cost base that is brought about because they employ a foreign crew that is paid a much lower wage base than our Australian crew. I do not resile from the comments that I made in the submission. That is why I have no amendments. In particular, the comments regarding the advice that was given to me—the suggestion as to how we could survive if foreign cruise ships were allowed to compete directly against us. That suggested advice was that we re-flag True North, which is an Australian-flag ship—in other words, take it away to some country of convenience for flag of convenience, re-flag it, lay off our Australian crew apart from the two designated senior people that we have to have under the legislation, put on a foreign crew and bring it back. That was how we could compete with the foreign ships that would come down and operate on our coastline. First of all, I was dumbfounded that that was actually being suggested by a government department. I asked at that time why we should have to do this. The answer given was, 'Because we are in an international market, so we have to be internationally competitive.' I am still speechless about it; I really am.

Mr Milby is not the only one who is speechless. I thought the government was genuinely about building jobs not destroying them with a piece of legislation such as this.

This bill is not the tool we need to strengthen Australian shipping. There are improvements that can be made to the industry, and I hope the government will work constructively with non-government senators—with the opposition and the crossbench. I acknowledge we need to have reforms in Australian shipping, but this is not the way. What killed this bill off for me was the government's own explanatory memorandum at page 156. This bill will be completely counterproductive.

But I acknowledge some of the real concerns. Incitec Pivot Ltd, IPL, is a great company that, sadly, has recently had to invest in one of its plants overseas because it felt the investment environment here was not good enough. So I acknowledge the problems it has. Incitec Pivot is a great company that employs many, many Australians. In its submission to the inquiry, it gave an example of the inflexibility of the current permit system. This year IPL chartered a ship to carry fertiliser from its manufacturing plant in Brisbane to its distribution centres in Geelong and Adelaide. However, in the time that the licence was applied for and then approved and the ship chartered, demand for the fertiliser had increased in Geelong. The
conditions on the permit would not allow the ship to unload more than an extra 400 tonnes of fertiliser, despite the fertiliser being available and the ship capable of offloading it. As a result, Incitec Pivot Ltd had to transport the fertiliser to Adelaide, where it was then placed on 40—four-zero—B-double trucks to be driven to Geelong. The cost of this exercise was an additional $75,000 to Incitec Pivot Ltd. That is crazy. It is wrong, and I understand why the government wants to reform that. We need to have a more flexible permit system.

So clearly the rigidity of the permit system is causing issues for Australian business that must be redressed, but this bill is not the way to do it. It goes too far. When you have government departments telling Mr Milby, 'Get rid of your workforce, because that's how the world works,' I do not accept that. That is not the attitude that the Australian government should have when it comes to Australian jobs. Something has to change, but this is not the bill to change it. It cannot come at the expense of mass lay-offs of Australian jobs, nor can the cost savings.

I spoke earlier about the concerning statements in the regulatory impact statement of this bill, and there is another section that raises a red flag to me. That is the finding that, of the $21.4 million of projected savings arising from this bill, approximately $19 million will come from savings in labour costs—in other words, laying off Australian workers. That is $19 million in wages being ripped away from the pockets of Australian workers—Australian seafarers—and the families they support.

The impact these reforms will have on land transport must also be acknowledged. The Freight on Rail Group expressed concerns about the unfair competitive advantage that the proposed reforms would give to foreign ships over Australian-owned modes of transport. Where is Senator Sterle when I need him? He knows a thing or two about the trucking industry. There he is! He is right there. He has joined the Greens, has he? I am not sure if the Greens would welcome Senator Sterle. He has caused them a lot of grief. This would result in a reduction in market share of rail freight movements for long-haul journeys. The rail transport industry relies heavily on economies of scale in order to maintain a competitive presence. With a shift in demand from transport by rail to transport by sea, there will be flow-on effects in this industry and the families it supports also.

So this has not been thought through. I understand what the Hon. Mr Truss is trying to do. He is worried about competitiveness. He wants to ensure that this permit system, which needs to be overhauled, is no longer an unnecessary impediment. But what the government is proposing to do would have adverse impacts on road and rail as well, with job consequences from that, and that is something that I think Senator Sterle is deeply concerned about.

Australian coastal shipping does need reform, but when you have Australian shipowners saying, 'We don't want these reforms,' but those shipowners who are effectively representing foreign-owned vessels saying they want the reform, you know there is a problem. When Australian shipowners have a problem with this legislation, we should have a problem with it as well.

I encourage Minister Truss to continue consulting with industry, with workers and with people like Incitec Pivot. We need to get reforms through. I met with former Minister Albanese in relation to this. He has given me his undertaking—and I hope he does not mind my saying so—that he is willing to sit down constructively with the government to work through these issues and get a solution so that we can have an improved system in place and
get rid of those anomalies which meant Incitec Pivot had to spend $75,000 unnecessarily and stupidly because of a permit system that is not working. But when the regulatory impact statement says this is going to kill off Australian jobs, in effect, and when the government's own explanatory memorandum spells it out in black and white, in good conscience I cannot and will not support this bill.

Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (19:05): I am grateful for the chance this evening to make some brief comments on the Shipping Legislation Amendment Bill 2015, because it is a piece of legislation that is absolutely imperative to improving economic efficiency not just with coastal shipping around Australia but, dare I say, in the state of Tasmania. Why do we need to do this? Because the 'reforms'—and I use that term advisedly—put in place by the former Labor government had nothing to do with improving economic performance and everything to do with keeping some of their political mates very happy. This government recognises the urgent need to maintain efficient and reliable coastal shipping services as part of the national transport system. How do we know that this legislation is needed? Because industry has clearly said so. I have a number of quotes, so bear with me. I would like to quote first from the Australian Industry Group, which has said:

The Bill, by increasing flexibility in the coastal shipping trade, will provide important economic benefits to the Australian economy and allow for greater movement of Australian domestic cargo, including in parts of Australia where shipping transport is particularly vital, such as Tasmania.

Let me say, as a Senator representing a state that has over many years sent a great deal of our own money Tasmania's way through the GST distribution arrangements, that I think anything that helps Tasmania build its economic capacity is unambiguously good news for Tasmanian taxpayers and, dare I say, Western Australian taxpayers as well. You would hope, of course, that Labor senators would also think along those lines, but that is a little bit too much to expect in this particular debate.

While on the subject of Western Australia, a state for which minerals and resources are absolutely vital, I think it is also worth noting what the Minerals Council of Australia had to say in regard to this particular piece of legislation. It clearly set out the key problem with Labor's so-called shipping reform, noting:

Restricting competition in Australia's coastal shipping industry has increased domestic transport and administration costs and made it more difficult to source coastal shipping services when they are needed.

This is a particularly important point. I am not sure whether or not Senator Xenophon and others have represented the regulatory impact statement correctly. I am prepared to give them the benefit of the doubt. But, when they talk about jobs in one industry, the shipping industry, what they do not talk about is exactly these economic benefits that arise from a more competitive coastal shipping industry. I will give them the benefit of the doubt. If the regulatory impact statement does say what they say it says, that may be true, but what they do not then talk about is the benefits to other jobs in other industries that arise because you get a more competitive coastal shipping industry with reduced costs. That is the link that Senator Xenophon has not made and I think it is important to make. Indeed, that is the link that I heard some Labor senators talking about earlier today when we were having this debate.
The Minerals Council went on to use one company to demonstrate this particular point, talking about how freight charges had increased for one particular company by $3,000 a day. I am not sure why the Labor Party think that imposing cost increases like that on employers is going to help workers in other industries or to boost employment growth more generally.

If we go to agriculture, another sector that is crucial to Western Australia's economy and our export industries, what is the view of the National Farmers' Federation on the changes that Labor introduced? The National Farmers' Federation said:

… there is no evidence that the—

then current—

legislation has had any 'revitalising' effect on either Australian shipping or the broader economy. … The cost of shipping goods by sea has increased and there is a perception that the Australian coastal trade is all but closed to foreign ships, with a resulting reduction in access to freight services. This means that the lack of competition in Australia's coastal shipping services means that other industries are paying a high price for that lack of competition and the poor access to freight services. It is not in the interests of this nation for a perception to exist that our coastal trade is closed for business. That is not good for Tasmania. It is not good for any of the Australian states.

The farcical nature of the reforms that the former Labor government introduced is not hard to demonstrate. In many respects, it reminds me of the mining tax Labor introduced, which hit Western Australia harder than any other jurisdiction. As we recall now, Labor introduced a mining tax that imposed huge compliance costs on those involved in the mining sector, which pushed up business costs, yet the tax raised barely any revenue. It was one of the greatest disasters of public policy that this country has ever witnessed.

In much the same vein, the former Labor government introduced an Australian International Shipping Register. Colleagues might be interested to know how many ships were registered on the Australian International Shipping Register. How many?

Senator Reynolds: Yes, how many?

Senator SMITH: Senator Reynolds might like to pick a number out of the air. Ten? 'Was it 10, Senator Smith?' No, it was not 10, Senator Reynolds. Was it nine? No, it was not nine. Was it eight? No, it was not eight. Was it seven? It was not seven. Was it six? It was not six. Was it five? It was not five. It was not four. It was not three. It was not two. It was not even one. No ship was registered on the Australian International Shipping Register. It is the catastrophe of the mining tax by another name. It is another piece of burdensome Labor Party regulation that has driven up business costs and failed to deliver on its anticipated outcomes.

Let us ask ourselves: why has it failed? Again, we need to go to Labor's motives on this particular issue. The plain truth is that the so-called reforms introduced by Labor were pretty much a wholesale capitulation to Labor's political mates in the Maritime Union of Australia—no surprises there. We all know, of course, that the MUA have fallen on particularly hard times. Their chant may well be, 'MUA, here to stay,' but, as we are all aware, they are now in merger talks with the CFMEU to form a militant superunion.

There was further evidence recently of the MUA's desperation in Western Australia, when that union spent a not inconsiderable amount of time—and, dare I say, members' money—pursuing a coverage application before the Fair Work Commission. Their argument was that
the employees of a logistics company who prepared for delivery in the offshore oil and gas industry should be ruled to be 'waterside workers'. That is a very long bow to draw. That is a very, very long bow to draw, and I will just demonstrate what I mean. There are workers at storage and logistics facilities located a considerable distance from wharves or from the water, and the MUA have been trying to argue that they should have the right to cover these workers. As the Fair Work Commissioner rightly noted in dismissing the application:
To disturb the plain meaning of "waterside worker" would be to characterise work performed, in any location, which ultimately results in goods or materials being loaded onto a ship as the work of a "waterside worker".
Plainly, that would be a ridiculous situation, yet such is the desperation of a union movement that is losing its relevance by the day.

This legislation is about getting the balance right. It is about recognising that laws governing our shipping network need to promote economic efficiency. They need to genuinely protect workers—and Senator Abetz mentioned that in his contribution—and of course they need to actually promote economic opportunity and job creation for Australians. Our laws should not be used to try to create political and organisational advantage for particular unions. That is not their role.

I think some people have misunderstood the full impact on jobs and on industries associated with coastal shipping and have underestimated the significant growth to jobs and the economic opportunity that arise from a more competitive coastal shipping arrangement. They have misunderstood what the regulatory impact statement has been trying to say, but for the sake of this debate I will give them the benefit of the doubt.

I will keep my contributions short. For me the merits of this particular piece of legislation are clear and obvious. Economic reform is important. It is certainly in the interests of Tasmania. It is in the interests of Western Australia. The Harper review in its own way will make a considerable contribution to competition and productivity in our country over time, but, with regard to this particular issue, this is a necessary and very worthy piece of economic reform and should be embraced, most particularly by Labor senators from Tasmania.

**Senator LAMBIE** (Tasmania) (19:15): I rise to speak on the Shipping Legislation Amendment Bill 2015. To an outsider, Australian shipping laws can be very complex and daunting. However, this government legislation boils down to one simple question: do the Australian people want an Australian shipping industry? If the answer is yes then this legislation must be strongly rejected, because, if this Liberal National Party legislation passes this Senate, the Australian shipping industry will be killed and thousands of direct and indirect Australian jobs will be destroyed in the process. I will not stand by and allow this government to betray the Australian people and future generations in such a reckless and treasonous manner.

The government's official summary of the act reads:
Amends: the Coastal Trading (Revitalising Australian Shipping) Act 2012 to: rename the Act as the Coastal Shipping Act 2015; replace the existing three tiered licensing system with a single permit system, available to Australian and foreign vessels, which will provide access to the Australian coast for a period of 12 months; and establish a framework of entitlements for seafarers on foreign vessels engaging or intending to engage in coastal shipping for more than 183 days; the Shipping Registration Act 1981 to allow vessels to be registered on the Australian International Shipping Register when they
engage in international shipping for 90 days or more; and four Acts to make consequential amendments. Also repeals the Coastal Trading (Revitalising Australian Shipping) (Consequential Amendments and Transitional Provisions) Act 2012.

This legislation effectively takes away any protection that Australian shipowners and maritime workers had against unfair, heavily subsidised, monopolised competition from cheap overseas vessels and cheap overseas maritime workers.

This legislation means that members of the Liberal and National parties are prepared to sacrifice Australian maritime jobs and national shipping security on the altar of free market economics when the opposite of a free market exists in shipping. However, there are many countries around the world who are prepared to acknowledge reality and protect their nation’s merchant marine, maritime workers’ jobs and skills, because they know history shows that their nations become less safe in times of world conflict. If we place ourselves at the mercy of foreign shipping and seafarers in times of world conflict, what happens to our supply chain security? What happens to the security, safety and reliability of (1) fuel and oil, (2) containerised goods, (3) dry bulk stores such as coal and iron ore and, of course, passenger cruise liners once we lose the maritime skills, personnel and ships to act in Australia’s national interest at all times? If you listen to those irresponsible Nationals and Liberal Party members of this place, we should vote for their legislation and adopt their ‘she’ll be right’ attitude in response to the multiple threats to world peace and Australia’s national security and interests.

Are those threats real? Let me briefly remind the Senate of a few facts that some opposite are trying to bury. For the first time in history, we have armed guards with machine guns patrolling the perimeter of Parliament House after religious psychopaths declared war on us because we do not want to accept their religion and law and prefer to live in a secular, free, democratic society. Today, most Australians—as a matter of fact, three out of four people—believe we will suffer a Paris-style terrorist attack. The Chinese government, when it is not scaring the hell out of its near neighbours with over the top military parades, is implicitly threatening to kill our sailors as they support our allies in freedom-of-navigation exercises in international waters. The US President and security advisers have warned our Prime Minister and senior Defence officials about the dangers of selling vital civil infrastructure like our ports to the Chinese companies which, of course, are closely linked to the Chinese military, who are threatening to kill our sailors while they act peacefully and within international laws. A sitting royal commissioner, Commissioner Heydon, has told us that he discovered a grave threat—

Debate interrupted.

ADJOURNMENT

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

That the Senate do now adjourn.

Empowering Women in Asia and Europe Dialogue

Senator REYNOLDS (Western Australia) (19:20): Last week I had the honour of participating as a guest of the Konrad Adenauer Foundation in their Asian women parliamentarians dialogue in Brussels. The subject was on empowering women in Asia and Europe. The purpose of the dialogue was to examine the policies and practices of the EU and
NATO in relation to gender advancement and the role of women in peace and security. Arriving in the middle of a terrorism shutdown in Brussels certainly sharpened our focus on the topic at hand.

The Konrad Adenauer Foundation is a civic research and education foundation named for the first Chancellor of the Federal Republic of Germany. Chancellor Adenauer led Germany from a broke, defeated nation in the years following World War II to a vibrant, stable and prosperous democracy. The foundation is dedicated to promoting right around the world Adenauer's ideas of the basic democratic values: the rule of law, freedom, peace, and justice—values most Australians share. But, sadly, as we saw in Brussels, today not everyone around the world or even here in Australia share these values with us.

For many years I have worked with, trained and mentored young political leaders, party officials and candidates all over the world on behalf of a number of Australian and overseas democracy support organisations. Officially my role has been to provide advice and practical assistance to those who are fighting for democracy in their own nations, under their own system of government and in their own society. While that was officially my role, I often reflect that instead I have been the major beneficiary of these experiences and the ensuing life-long friendships. I am undoubtedly a better person and, I hope, now a better politician for these rich experiences.

It is the work with women that I love the most and am most proud of: witnessing such passion and commitment in the face of what for us would be unimaginable conditions—for ourselves as women and for ourselves as politicians, and also for our own families. They suffer from egregious gender discrimination, physical violence, suicide attacks and extended imprisonment—to name just a few of the barriers and conditions.

In Brussels last week I was reunited with female colleagues from across Asia and met some amazing new female MPs. Quite simply, they are the most extraordinary group of women, whose passion, commitment and sheer bravery is inspirational and terribly humbling. For many of them, our worst ever day in politics here in Australia would be their best ever day in politics. To me, all these women are heroes and leaders in the truest sense of those words.

By way of example, last week marked the 12-month anniversary since my friend Shukria Barakzai, a 10-year member of the Afghanistan parliament and a very prominent women's rights campaigner, was the target of a suicide bombing in Kabul in which nine people were tragically killed and she and 35 others were wounded, both physically and mentally.

Shukria is an extraordinary woman who, at only 42, has had a most remarkable life—in fact, I think she has had several lives—fighting for the rights of girls and women in Afghanistan. During that struggle, she has lost two of her own children to the Taliban, she has been beaten, but still she ran an underground school for girls to ensure that, during Taliban rule, they got the education that they needed. Despite the attack she and her family—her five children—remain in Afghanistan fighting for women and for the next generation of her country, all the while under the protection of a large team of bodyguards due to the ever-present threat of another suicide attack on her and those around her. Witnessing Shukria and other brave women fight so hard for what we largely take for granted here in Australia is sobering. But it also reminds me that women all over the world, including here in Australia, share universal socioeconomic challenges that will never just fix themselves.
Today is White Ribbon Day. As we have heard from so many colleagues so poignantly in and out of both chambers, including from Sarah Henderson, women and children suffer terribly from domestic violence right across our country, and two women a week die from the injuries inflicted—mostly by the men in their lives—and thousands of others silently bear the scars and misplaced shame of these attacks.

I arrived in Brussels last Monday when the city was in an eerie state of lockdown. The streets where we were staying in the heart of the European Commission and the European Union parliament were almost empty as Belgian police carried out raids in the hunt for the perpetrators of the Paris terrorist attacks and potential new terrorist attacks in Brussels. None of us who attended would have thought before the Paris attacks almost two weeks ago that we would be warned, by our embassy and by concerned loved ones, not to walk around the streets of central Brussels—in the middle of western Europe—and that they would be in lockdown, as we know they continue to be today.

Most of my colleagues are all too familiar with terrorism in all its forms, particularly with religious based extremism. My colleagues from Afghanistan and Pakistan in particular told us of their experiences dealing with the threat of religious-based terrorism and they were crystal clear in their advice to us: if you allow the terrorists to change us, they win. So together we must stick to our principles defeat them. We have no choice. They are Islamic jihadists, they pervert Islam, but they still must be tackled head on. They will never respect our kindness and our generosity. Instead they will exploit it to harm us. There is no-one more qualified to make this observation to me and to all of us than these brave Muslim women who face this threat every day.

The consensus from the workshop was that women have a critical contribution to make in all facets of public life and society. This is especially so in achieving peace and security in areas of conflict. It was also clear to me and others that gender equality and, more generally, diversity first need peace, stable government and civil society. Women and children always suffer the most in conflict and during periods of austerity; but, despite this, if and when empowered women can be key agents of change.

One focus of our dialogue in the EU parliament with our European colleagues was how the new Sustainable Development Goals have the potential to drive gender and diversity change not just in developing countries but also in Australia, in Europe and in the United States. The key issue for us all now is how we translate the goals into meaningful action in our own countries. That is the work that I think we all need to face together and work together on.

In conclusion, my sincerest thanks to the Konrad Adenauer Foundation and to their dedicated staff for making this wonderful program possible. It brings together women in parliaments from across Asia to provide professional development, networking and the opportunity for mutual support. My thanks also to the Australian Embassy staff for their professional guidance and assistance during my visit. Most of all, to my Asian colleagues, all I can say is thank you.

**People With Disability**

**Senator MOORE** (Queensland) (19:29): This afternoon, the Community Affairs References Committee brought down its report on violence, abuse and neglect against people with disability. As I said in my contribution this afternoon, this particular report covers such a
wide range of issues that I am going to take the opportunity on a few occasions to touch on some of the issues that we found and also some of the people that we met in the hearings and the evidence that we received.

The committee agreed that, throughout the inquiry, the evidence presented from people with disability, their families and advocates showed that the root cause of violence, abuse and neglect of people with disability begins with an actual devaluing of people with disability and permeates the attitudes of individuals, organisations and people in society who just do not know how to talk to someone with a disability and, more importantly sometimes, do not know how to listen to someone with a disability. The devaluing takes many forms. We pointed out that people with disability are often communicated 'about'—not 'with' or 'to'—and are frequently denied the right to make the most basic decisions about themselves.

One of the chapters of the report talks about the very important issue of advocacy. It consistently came out that, because of the problems with communication and the problems of understanding, people with disability are very often voiceless, whether they have the ability to speak or not. Indeed, that has been universally recognised. The various universal declarations to which Australia is a signatory consistently talk about the rights of people with disability: their rights to have the same chances, the same opportunities and the same risks as the rest of us in the community.

One of the key aspects of that is to have access to advocacy. In 2008, the Australian state and territory disability ministers endorsed the National Disability Advocacy Framework. The advocacy framework sets out principles to guide the provision of advocacy services for people with disability so that they can achieve the long-term goal of ensuring that they have effective disability advocacy that promotes, protects and ensures their full and equal enjoyment of all human rights enabling full community participation. It is very straightforward. But what we heard over the numerous days of evidence was that people were not always able to access these basic rights.

The whole role of advocacy in our community is under review. The Department of Social Services is currently conducting a review of the advocacy framework, which is critically important because we need to know how best advocacy works. Just because something was done one way in the past does not mean that is the way it should be done in the future. We are awaiting the outcome of that particular review, and I think that will be the basis on how we can plan effectively in the future, particularly as the full rollout of the National Disability Insurance Scheme continues around the nation. What has been consistently identified in the rollout of the NDIS is the need for effective advocacy for the people involved in the process. When the Community Affairs Legislation Committee looked at the introduction of the framework legislation that set up the NDIS, one of the core recommendations was that we understood, implemented and resourced effective advocacy in the process. And that demand continues, because increasingly we see that people do not know their rights and, if they do begin to understand that they do have rights, they are not quite sure what to do about it. They do not know from where to seek support. They do not know where they can discuss exactly what their situation is and how they can make complaint if, in fact, complaint is needed.

The Australian government does fund advocacy networks. In the last funding round, in February 2015, DSS announced direct funding for five national advocacy organisations: People with Disability Australia, Children with Disability Australia, First Peoples Disability
Network, National Ethnic Disability Alliance and Women With Disabilities Australia. DSS told us that these organisations had been funded to:

… work independently on behalf of their members, and collaborate on national and common issues as the National Cross-Disability Alliance (the Alliance), focusing on improving the lives of all people with disability.

Certainly, these organisations did come and talk to our committee about the way they felt that they could best provide the kind of advocacy needs that people needed in the community.

One of the things we know is that, for many people and people with disability, the best and strongest and most resilient advocates they have are their family members. There are whole sections of our report that point out that family members continue to advocate strongly for their person with disability. However, the stories we heard about where things had gone wrong ended up with not only the person with the disability being excluded or disadvantaged but also their family member, who was working to improve a situation or a grievance in their care or the support networks they were receiving, being isolated and sometimes abused. In the worst cases, where the state stepped in to remove the guardianship of the person with disability from their parent, we actually saw the system working against the family member who was working to ensure that they got good treatment. This shows the worst impact of a system which does not recognise the need for support or help.

I will not go through any of the particular cases in this particular contribution, but what I will talk about is the fact that the people in the advocacy organisations are desperately in need of effective resourcing. Hopefully, out of this 2015 review that is currently underway by the department, the real resource needs of advocacy will be clearly identified and there will be an understanding in the system that, if we are going to work effectively to ensure that people do have their rights acknowledged and supported, advocacy organisations need to be well trained, accessible and have the appropriate resources to work across a range of areas, not just geographical locations but also situations and individual needs.

As I said this afternoon, one of the most poignant elements for me in the inquiry was evidence given by Ms Christina Ryan for Advocacy for Inclusion. I have known Christina for many years, and I know what a strong advocate she is. In her evidence to us, she said:

One of the most wrenching things for me—because we do the training for people in self-advocacy and human rights—is when people ask us: ‘Do I have the same rights as other people?’ They know they are cut off from the world and they know they are shut off. What they also know is that everybody else has rights and they do not. Every time we talk about delaying things, every time we do not respond, every time we do not have enough advocacy funding and every time the national plan to reduce violence against women does not actually do much for women with disabilities, we are reminding people with disabilities that we do not have the same rights. We do not matter. It is as simple as that. Well, it should not be as simple as that, but we can do things better. We know so. Through the committee, we saw a range of self-advocacy groups and organisations that were effectively providing the voice of people with disabilities into the system so that they would have the same rights as everyone else, so that if something were being done which harmed or hurt them they would be able to have that identified, have their grievances effectively listened to and then have action taken to ensure that they were made safe and, in the cases where there was hurt done to them, their perpetrators would be brought to justice. That would seem something that we as a society should be able to achieve.
We know that there are systems in place that can respond effectively with advocacy and that one size does not fit all. Too often, governments are seeking one model and only one model that will work. What became clear in our committee was that that will not work. That would ensure that people remain isolated and remain without support. I will continue to talk about this particular report into the future, but I want to quote from DANA:

Time and time again, what the advocates are telling us and what they see is that people do not complain—for many reasons.

We need to respond to that complaint. (Time expired)

Illicit Drugs

Senator XENOPHON (South Australia) (19:39): The National Ice Task force is set to report soon, after months of examining the scourge of ice in Australia—and what a scourge it is. How many thousands of families has it destroyed? How many families has it ripped apart? How many individuals has it hurt? And how many have been hurt by those who have a problem with ice? The task force has received more than 1,300 submissions, including one from me; spoken to experts and stakeholders; and will, by the end of the year, produce a National Ice Action Strategy.

A key initiative from the strategy has to be a significant boost to voluntary rehabilitation services around the nation and in regional and rural areas. I have seen constituent after constituent who have told me stories of how a family member has been devastated by ice and cannot get into a treatment program, cannot get the help they need. Just recently a friend of mine had a family member who could not get the necessary help through government agencies, and this family had to spend in the order of $25,000 for a health program—which appears to have been very effective. But why should families have to mortgage their homes, cash in their super, take out loans, in order to get help that we as a community ought to be able to make available?

Funding has to be stepped up and locked in. We cannot have the seesaw approach we saw in 2014 when the federal government cut funding to the non-government health sector by $600 million over three years, only to reinstate funding to drug and alcohol rehabilitation services on an annual basis later that year.

But I believe that in addition to significantly boosting voluntary rehabilitation—which will help many lives—we need to go further. Tonight I want to take a close, forensic look at something that has so far been considered too hard in Australia but which we must introduce as part of our national response to ice; namely, mandatory rehabilitation for adolescents and adults who have been affected by ice and other serious drugs and substances. It has been a success in Sweden, which has dedicated programs for both young people and adults, and I will be speaking shortly about an eye-opening report by the very experienced and respected Australian magistrate Jennifer Bowles into the Swedish program for young people. We have to look at tougher policies—and I do not mean tough in a punitive way but policies that are compassionate and fair but also effective—because ice is taking this country by storm. We also need to take the approach of: if you are a major dealer in heroin, ice or other illicit substances, we should be looking at confiscation of your assets—not just some of them—and ploughing them back into rehabilitation services, because they are so cash-strapped as it is.

I have met with the parents of young people in the grip of this addiction and with the youngsters themselves. These desperate parents can only watch, seemingly powerless to intervene, as their son or daughter descends into a living hell. Sometimes it is the children
who approach me about their parent who has a serious problem with ice. Time and again, in speaking to families, the problem of inadequate drug rehabilitation comes up as a key problem—both inadequate in meeting the high demand for treatment, causing long waiting periods, and inadequate in that Australia relies almost entirely on a voluntary drug rehabilitation model, which is not a bad thing but we need, in exceptional circumstances, to look at mandatory rehabilitation.

In the face of ice, which appears to be the most addictive drug yet devised, which multiplies the risk of psychotic illness by 11 times, which changes the personality of the user so that their closest family no longer recognise them, how can we only offer voluntary rehabilitation? If you are in the grip of that addiction, you are not in the position to make an informed, free choice as to what needs to be done. Are we, as a nation, going to stand by coldly and watch as young people and adults, unwilling to enter rehab because they are gripped by addiction and paranoia, descend into crime, violence and potentially an early grave? Even more tragically, they can injure and potentially kill others.

I have been very grateful for the work of the Children's Court magistrate from Victoria Jennifer Bowles, who as a Churchill fellow last year examined the system of mandatory drug rehabilitation in Sweden. I commend her report to my colleagues. As a magistrate for 17 years, she has confronted, head-on, the broken lives of many young people with drug problems. Her report, What can be done?, is necessary reading amongst legislators, policymakers and anyone who cares about this problem. Magistrate Bowles says that the key problem in Australia in trying to respond to these desperate young people is the inability to keep them engaged in treatment and recovery due to the voluntary nature of the system, because it is so easy to be pulled out of that. She highlights that, last calendar year, the Children's Court issued 2,625 search warrants for missing children under state care—a cohort hugely at risk of drug abuse and mental health problems.

She quotes from an affidavit for one such search warrant of a 13-year-old girl, whom we will call 'Annie', who walked out of residential care. The girl was an ice user with sexualised behaviours—we are talking about a 13-year-old. She was raised by her mother, who had recently passed away, and was estranged from her father who had recently come out of prison.

The affidavit said in the Children's Court:
Annie is frequently reported to be in the company of an older negative peer group and is reported to engage in substance abuse, primarily ice.
After previously going missing for five weeks, Annie eventually came back and her behaviour was much worse. The affidavit tells us why:
Annie is reported to engage in sexualised behaviours such as sexting, the recipients of which have at times included adult males who have reciprocated.
No wonder Magistrate Bowle's asks the question: what can be done? Because the current system lacks the ability to respond to people like Annie—people who are a danger to themselves.

Looking around the nation, the Parliamentary Library has advised that the precise number of drug and alcohol treatment beds for young people is very difficult to determine. From the sketchy information available, it is fair to say that there are very few mandatory drug
rehabilitation beds available in Australia. There are two programs for adults in New South Wales, one of which is a correctional facility, which is not the way to go forward on this. Do not criminalise this. Do not treat is as though people are criminals. They need help. It is a health issue. The Northern Territory program is in response to alcohol abuse.

We are not going down the right path on this. While mandatory rehabilitation is not appropriate in a range of circumstances, it is the last best hope for many young people, as Magistrate Bowles reports. And I believe the lessons from Magistrate Bowles' report can and should also be applied to adults—as also happens in Sweden.

Under the heading 'Dealing with the crystal methamphetamine (ice) scourge—urgent need for a change of approach,' this very experienced magistrate says:
The lifestyles these young people are living mean that the chances (that) they will attend or regularly attend treatment are minimal. Given the complex reasons for their drug and alcohol/mental health issues, the treatment model of receiving one session with a psychologist or counsellor for perhaps one hour each week and then returning to their lives is deeply flawed.

The magistrate says:
There is an urgent need to look at these issues and to consider what can be done to intervene and break the existing, dire situation.
The key word there is 'intervene', because that is what is necessary for many young people in the grip of ice. The contrast between Australia and the approach of Sweden could not be starker. It is a last resort in Sweden, but the fact that it exists there and you know that, if nothing else works, you can actually have that option, I think plays a major cultural role in dealing with the drug problem there.

Sweden has 491 secure beds for adolescents—a rate of 51 beds per million of Sweden's population. All of these young people receive therapeutic treatment as required. It is intensive. It is well funded. It works. By comparison, Magistrate Bowles says Victoria has only 20 secure beds for adolescents, not including youth justice beds—a rate of 3.5 beds per million of population. So Sweden has fourteen times the capacity for mandatory treatment of young people than Victoria, per capita.

But Magistrate Bowles says the Victorian system limits stays to 21 days—and I think in other states it is even worse than that—setting up a revolving door of young people who cannot stay long enough to receive effective therapeutic treatment. Sweden's secure rehabilitation homes—or SiS for short—are used as a last resort. They account for only three per cent of state intervention in the lives of young people after the failure of foster care and residential care to curb or control substance abuse and psychological issues. But they are there. They are secure. It is well funded. It is treated as a health problem.

The key finding from Sweden appears to be that mandatory rehabilitation does work for a cohort of young people where there is no other choice. It gives a safety net to give them the help that they need. Expert practitioners told Magistrate Bowles that, without mandatory treatment, the outcomes for these young people would be much, much worse. It is my understanding that the level of substance abuse, particularly for ice, heroin and a range of other drugs in Sweden, is dramatically lower than it is here in Australia.
We must, must do much more to help those addicted to the scourge of ice. As a community, we must go down a new path. (Time expired)

Senate adjourned at 19:49

DOCUMENTS

Tabling

The following documents were tabled pursuant to standing order 61(1)(b):

Environment—Queensland—ReefBlitz initiative—Letter to the President of the Senate from the Minister for the Environment (Mr Hunt), dated 23 November 2015, responding to the resolution of the Senate of 15 October 2015.


CHAMBER