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**SITTING DAYS—2019**

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FORTY-SIXTH PARLIAMENT
FIRST SESSION—FIRST PERIOD

Governor-General
His Excellency General the Hon. David John Hurley, AC, DSC, FTSE (Retd)

Senate Office Holders
President—Senator Hon. Scott Ryan
Deputy President and Chair of Committees—Senator Susan Lines
Temporary Chairs of Committees—Senators Askew, Bernardi, Brockman, Brown, Faruqi, Fawcett, Fierravanti-Wells, Gallacher, Griff, Kitching, McCarthy, Sterle and Stoker
Leader of the Government in the Senate—Senator the Hon. Mathias Cormann
Deputy Leader of the Government in the Senate—Senator the Hon. Simon Birmingham
Leader of the Opposition in the Senate—Senator the Hon. Penny Wong
Deputy Leader of the Opposition in the Senate—Senator the Hon. Kristina Keneally
Manager of Government Business in the Senate—Senator the Hon. Anne Ruston
Deputy Manager of Government Business in the Senate—Senator Jonathon Duniam
Manager of Opposition Business in the Senate—Senator Katy Gallagher
Deputy Manager of Opposition Business in the Senate—Senator Kimberley Kitching

Senate Party Leaders and Whips
Leader of the Liberal Party in the Senate—Senator Hon. Mathias Cormann
Deputy Leader of the Liberal Party in the Senate—Senator Hon. Simon Birmingham
Leader of The Nationals in the Senate—Senator the Hon. Bridget McKenzie
Deputy Leader of The Nationals in the Senate—Senator the Hon. Matthew Canavan
Leader of the Labor Party in the Senate—Senator Hon. Penny Wong
Deputy Leader of the Labor Party in the Senate—Senator Hon. Don Farrell
Leader of the Australian Greens—Senator Richard Di Natale
Deputy Leader of the Australian Greens in the Senate—Senator Larissa Waters
Chief Government Whip—Senator Dean Anthony Smith
Deputy Government Whips—Senators James McGrath and Slade Brockman
The Nationals Whip—Senator Perin Davey
Chief Opposition Whip—Senator Anne Elizabeth Urquhart
Deputy Opposition Whips—Senators Raff Ciccone and Malarndirri McCarthy
Australian Greens Whip—Senator Rachel Siewert

Printed by authority of the Senate
Members of the Senate

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Pursuant to section 42 of the Commonwealth Electoral Act 1918, the terms of service of the following senators representing the Australian Capital Territory and the Northern Territory expire at the close of the day immediately before the polling day for the next general election of members of the House of Representatives.

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[23] Chosen by the Parliament of Victoria to fill a casual vacancy (vice S Conroy), pursuant to section 15 of the Constitution.


PARTY ABBREVIATIONS
AG—Australian Greens; ALP—Australian Labor Party;
CA—Centre Alliance; CLP—Country Liberal Party; IND—Independent;
JLN—Jacqui Lambie Network; LNP—Liberal National Party;
LP—Liberal Party of Australia; NATS—The Nationals;
PHON—Pauline Hanson's One Nation

Heads of Parliamentary Departments
Clerk of the Senate—R Pye
Clerk of the House of Representatives—D Elder
Secretary, Department of Parliamentary Services—R Stefanić
Parliamentary Budget Officer—J Wilkinson
## MORRISON MINISTRY

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<td>Minister for the Public Service</td>
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<tr>
<td>Minister for Women</td>
<td>Senator the Hon. Marise Payne</td>
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<tr>
<td>Minister Assisting the Prime Minister for the Public Service and Cabinet</td>
<td>The Hon. Greg Hunt MP</td>
</tr>
<tr>
<td>Minister for Indigenous Australians</td>
<td>The Hon. Ken Wyatt AM MP</td>
</tr>
<tr>
<td>Assistant Minister to the Prime Minister and Cabinet</td>
<td>The Hon. Ben Morton MP</td>
</tr>
<tr>
<td>Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development</td>
<td>The Hon. Michael McCormack MP</td>
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<tr>
<td>Minister for Water Resources, Drought, Rural Finance, Natural Disaster and Emergency Management</td>
<td>The Hon. David Littleproud MP</td>
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<tr>
<td>Minister for Population, Cities and Urban Infrastructure</td>
<td>The Hon. Alan Tudge MP</td>
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<tr>
<td>Minister for Regional Services, Decentralisation and Local Government</td>
<td>The Hon. Mark Coulton MP</td>
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<tr>
<td>Assistant Minister for Road Safety and Freight Transport</td>
<td>The Hon. Scott Buchholz MP</td>
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<tr>
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<td>The Hon. Andrew Gee MP</td>
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<tr>
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<td>The Hon. Nola Marino MP</td>
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<tr>
<td>Treasurer</td>
<td>The Hon. Josh Frydenberg MP</td>
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<td>The Hon. Michael Sukkar MP</td>
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<tr>
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<tr>
<td>Assistant Minister for Superannuation, Financial Services and Financial Technology</td>
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<tr>
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<td>Senator the Hon. Mathias Cormann</td>
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<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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<td>Minister for Resources and Northern Australia</td>
<td>Senator the Hon. Matthew Canavan</td>
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Each box represents a portfolio. **Cabinet Ministers are shown in bold type.** As a general rule, there is one department in each portfolio. The title of a department does not necessarily reflect the title of a minister in all cases. Ministers are sworn to administer the portfolio in which they are listed under the ‘Minister’ column and may also be sworn to administer other portfolios in which they are not listed. Assistant Ministers in italics are designated as Parliamentary Secretaries under the *Ministers of State Act 1952.*
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<tr>
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<td>Pat Conroy MP</td>
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<td>Senator the Hon. Kristina Keneally</td>
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<td>Stephen Jones MP</td>
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<td>Shadow Assistant Minister for Treasury</td>
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<td><strong>Shadow Attorney-General</strong></td>
<td>The Hon. Mark Dreyfus QC MP</td>
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<td>Shadow Assistant Minister for Communications</td>
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<td>Shadow Assistant Minister for Cyber Security</td>
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<tr>
<td><strong>Shadow Minister for Finance</strong></td>
<td>Senator Katy Gallagher</td>
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<tr>
<td><strong>Shadow Minister for the Public Service Manager of Opposition Business in the Senate</strong></td>
<td>Sen Kimberley Kitching</td>
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<tr>
<td><strong>Shadow Assistant Minister for Government Accountability</strong></td>
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<td><strong>Shadow Minister for Families and Social Services</strong></td>
<td>The Hon. Linda Burney MP</td>
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<td><strong>Shadow Minister for Indigenous Australians</strong></td>
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<td>Shadow Assistant Minister for Reconciliation</td>
<td>Senator Patrick Dodson</td>
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<td>Shadow Assistant Minister for Constitutional Recognition of Indigenous Australians</td>
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<td>Senator Louise Pratt</td>
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<td>Shadow Minister for the Environment and Water</td>
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Thursday, 4 July 2019

The PRESIDENT (Senator the Hon. Scott Ryan) took the chair at 09:30, read prayers and made an acknowledgement of country.

DOCUMENTS

Tabling

The Clerk: I table documents pursuant to statute as listed on the Dynamic Red.

Full details of the documents are recorded in the Journals of the Senate.

BUSINESS

Rearrangement

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (09:31): I move:

That on Thursday, 4 July 2019—

(a) following the reporting of a message from the House of Representatives transmitting the Treasury Laws Amendment (Tax Relief So Working Australians Keep More Of Their Money) Bill 2019 for concurrence, the bill be considered immediately and have precedence over all other government business until determined;

(b) if discovery of formal business has not concluded by 12 pm, then it shall continue until all formal motions have been considered;

(ba) if by 2 pm consideration of the bill has not concluded, then the routine of business after 3 pm be government business only;

(c) divisions may take place after 4 pm; and

(d) the Senate shall adjourn without debate after it has completed consideration of the bill, including any message from the House of Representatives, or a motion for the adjournment is moved by a minister, whichever is the earlier.

I also move:

That the question be now put.

The PRESIDENT: The question is that the motion moved by Senator Cormann—that the question be now put—be agreed to.

The Senate divided. [09:35]

(The President—Senator Ryan)

Ayes .....................62
Noes .....................9
Majority ..................53

AYES

Abetz, E                        Antic, A
Askew, W                        Ayres, T
Bernardi, C                     Bilyk, CL
Birmingham, SJ                  Bnagg, A J
Brockman, S                     Brown, CL
Canavan, MJ                     Carr, KJ
Cash, MC                        Chandler, C
Question agreed to.

The PRESIDENT (09:40): The question is that the motion moved by Senator Cormann be agreed to.

The Senate divided. [09:40]

(The President—Senator Ryan)

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<td>Van, D</td>
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<td>Watt, M</td>
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<td>Faruqi, M</td>
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<td>McKim, NJ</td>
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AYES

Ciccone, R  Colbeck, R
Cormann, M  Davey, P
Dodson, P  Duniam, J
Farrell, D  Fawcett, DJ
Fierravanti-Wells, C  Fifield, MP
Gallacher, AM  Gallagher, KR
Green, N  Griff, S
Hanson, P  Hughes, H
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Kitcing, K  Lines, S
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McDonald, S  McMahon, S
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Reynolds, L  Roberts, M
Ruston, A  Ryan, SM
Scarr, P  Seselja, Z
Sheldon, A  Sinodinos, A
Smith, DA (teller)  Smith, M
Sterle, G  Stoker, AJ
Urquhart, AE  Van, D
Walsh, J  Watt, M

NOES

Di Natale, R  Faruqi, M
Hanson-Young, SC  McKim, NJ
Rice, J  Siewert, R (teller)
Steele-John, J  Waters, LJ
Whish-Wilson, PS

Question agreed to.

BILLS

Treasury Laws Amendment (Tax Relief So Working Australians Keep More Of Their Money) Bill 2019

First Reading

Bill received from the House of Representatives.

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (09:43): I move:

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

Question agreed to.

Bill read a first time.
Second Reading

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (09:43): 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 lowers taxes for hard-working Australians.

Our tax plan was carefully developed and it was detailed comprehensively in this year's Budget before being put to the Australian people at the election just six weeks ago.

The Australian people were presented with a clear choice between the Coalition's $158 billion of tax cuts and Labor's $387 billion of higher taxes.

They delivered their verdict loud and clear in favour of our tax plan and rejecting Labor's tax hikes.

Values drove our policy, with Liberals and Nationals wanting to put more money in people's pockets, reward effort and encourage aspiration.

This Bill delivers on that commitment, a further $158 billion of tax relief.

Our tax cuts provide both short-term relief and long-term reform.

Australians earning up to $126,000 a year will receive up to $1,080 with more than ten million Australians better off.

This means that a couple, say a teacher and a tradie, each earning $60,000 a year, will get $2,160 in their family wallet.

This tax relief will boost household incomes and ultimately household consumption, which will be good for the economy.

In 2024-25, the Government will reduce the 32.5 cent tax rate to 30 per cent. This will accompany the abolition of an entire tax bracket, the 37 cent tax bracket, which we have already legislated.

The longer term structural reform will mean hardworking Australians will face a single marginal tax rate of 30 cents in the dollar on the taxable income they earn between $45,000 and $200,000.

Someone who moves up the income scale getting a promotion, working more hours or taking a second job will under these reforms get protection from bracket creep.

This will improve the incentives for working Australians and reward effort.

As a result of the Government's plan, around 94 per cent of Australian taxpayers are projected to face a marginal tax rate of 30 per cent or less in 2024-25. This compares to just 16 per cent if stages two and three of our tax package didn't go through.

Around 13.3 million taxpayers will pay permanently lower taxes by the time the Government's plan is fully implemented.

The Government's personal income tax measures will increase aggregate household income by around $8 billion each year over the forward estimates period. This will help to support consumption growth. Given that household consumption makes up around 60 per cent of the economy, the Government's plan will help support economic growth.

Lower taxes will increase the financial return from work, with higher take home pay helping to encourage workers to re-enter the workforce, or work additional hours if they wish.

It will also tackle bracket creep that sees workers hit with a higher marginal rate as their wages go up to compensate for inflation.
Our tax relief measures will keep taxes as a share of GDP within the 23.9 per cent cap ensuring that we don't impose an increasing tax burden on hard working Australians. Securing future tax cuts now will provide confidence to Australians that they will be rewarded for their hard work and helps to protect their future pay increases from bracket creep.

The Government is committed to delivering a tax system that rewards effort and aspiration. A tax system that promotes opportunity and drives investment and growth. A tax system that underpins a strong economy and opportunities for all Australians, now and in the future. A tax system where all individuals and businesses pay their fair share, so that the Government can guarantee the essential services Australians rely on.

The Government's plan will maintain a progressive tax system. It is projected that in 2024-25 around one third of all personal income tax will be paid by the top 5 per cent of tax payers, a slightly higher proportion than what they currently pay.

Schedule 1 to the Bill enhances the current low and middle income tax offset (LMITO) by increasing the base offset from $200 to $255 and the maximum benefit from $530 to $1,080 for the 2018-19, 2019-20, 2020-21 and 2021-22 income years. Schedule 1 of this Bill also increases the amount of the low income tax offset from $645 to $700 from 2022-23.

Schedule 2 to the Bill increases the top threshold of the 19 per cent tax bracket from $41,000 to $45,000 from 1 July 2022. It also reduces the 32.5 per cent rate to 30 per cent from 1 July 2024.

The Government's first legislative priority for the 46th Parliament is consideration of the Government's tax cut plan we took to the election.

I call on the Parliament to respect the wishes of the Australian people so tax relief can flow to Australians quickly.

Promptly pass this Bill this week. Pass it in full.

Lower taxes are part of the Government's plan for a stronger economy.

Full details of the measures are contained in the Explanatory Memorandum.

I commend this Bill to the House.

Senator GALLAGHER (Australian Capital Territory—Shadow Minister for Finance, Shadow Minister for the Public Service and Manager of Opposition Business in the Senate) (09:44): The Treasury Laws Amendment (Tax Relief So Working Australians Keep More Of Their Money) Bill 2019 seeks to legislate the government's income tax cuts announced earlier this year as part of the 2019-20 budget. Labor's position on this bill has been informed by three key principles, as outlined by my colleague in the other place Dr Jim Chalmers: firstly, that the economy needs a boost right now; secondly, that every worker should get a tax cut this parliamentary term; and, thirdly, that it's irresponsible to sign up now to $95 billion worth of expenditure that's not due for another five years without knowing what the economy or the Commonwealth budget will look like in 2024-25.

Before going on and detailing Labor's position on this bill, it's worth looking at what's happening in the economy right now and why we believe that our position on this tax bill is in the national interest. There is no doubt that the economy is struggling on this government's watch. The latest national accounts reveal the slowest economic growth, in terms of annual growth, since the GFC that occurred a decade ago. Those same national accounts show that Australia is now in the longest per capita recession since the 1982 recession. The national economy has fallen from the eighth fastest growing in the OECD in 2013 to the 20th today. Wages, which we know have been growing at record levels for some time, are growing eight times more slowly than company profits. There is rising underemployment and youth
unemployment. Overall, there are 1.8 million Australians looking for work or looking for more work—that's 1.8 million people. We've seen five years of weak productivity growth, and productivity as measured by GDP per hour worked has fallen for four consecutive quarters. The RBA has acknowledged that household consumption is weak and has had to respond with two interest rate cuts in two months. The cash rate, now at an unprecedented one per cent, when it was three per cent back in the heat of the GFC, was apparently, according to this government, already at emergency levels.

So there is no doubt that the economy is floundering, with the very real consequence that households across Australia are feeling it. Pensioners and superannuants, who rely on interest rates to help bolster their incomes, are feeling it, too. After six years this third-term government can't continue the facade that they are good economic managers against this backdrop of facts. On Tuesday night, the Reserve Bank governor, unusually and publicly, pleaded his case that monetary policy couldn't do all the hard work. This 'nothing to see here' government has to respond, because right now they are the only people in Australia who think this economy is performing well.

That is why Labor's position and the amendments we will move today are about providing a boost to the economy now. That's why Labor supports stages 1 and 2 of the government's plan. It's unfortunate that the government voted against our amendments to bring forward part of stage 2 in the other place, because it simply confirmed that the government thinks tax cuts in five years time are more important than tax cuts that could start right now. But in this chamber, where the government doesn't have majority control, the Senate can take a responsible and constructive approach and support the position Labor is outlining today.

Schedule 1 of the bill deals with stage 1 low- and middle-income tax offset changes, which supplement the changes announced by the government last year. For the 2018-19, 2019-20, 2020-21 and 2021-22 financial years, the bill seeks to increase the amount of low- and middle-income tax offset, or LMITO. The base amount would increase from $200 per year to $255 per year and the maximum amount from $530 to $1,080 per year. This increase will mean that taxpayers with taxable incomes of between $48,000 and $90,000 will be eligible for the maximum offset of $1,080. The Labor Party supports this increase to LMITO. This increase is very similar to Labor Party policy that was announced last year. The Treasury said on Tuesday that people would start seeing this increase from next week if this bill is passed today. Well, we'll hold the Treasurer and the government to that, especially as they have already broken their pre-election promise that these tax cuts would be paid by 1 July.

Labor completely understands the need for getting these tax cuts into the hands of those who need them the most as soon as possible. The national economy is floundering. Working people have had to endure an extended and ongoing period of low wages growth. Prices are going up, and many Australian families are hurting because of it. The increase to LMITO is needed. It should have been dealt with by 1 July, but the sooner that money gets into the hands of eligible taxpayers the better. So the Labor Party has no issue with this element of the bill. As I said previously, these tax cuts will be provided to those who need them most.

Stage 2 in this bill has two elements to it. Firstly, there is the increase to the low-income tax offset that is in schedule 1 of the bill, which increases the value of the LITO from 1 July 2022 from $645 to $700 and changes the associated taper rate for that offset. The LITO applies to taxable incomes of up to $66,667. This increase to the LITO, along with the
increase to the top threshold of the 19 per cent income tax bracket—which I'll come to in a moment—is meant to continue the tax reduction provided by the LMITO once it expires at the end of 2021-22.

Secondly, stage 2 of the government's bill seeks to increase the top threshold of the 19 per cent income tax bracket from $41,000, which was legislated last year, to $45,000, from 1 July 2022—in three years time. The Senate may recall that, in last year's changes, the top threshold for the 32½ per cent tax bracket was lifted from $90,000 to $120,000, taking effect on 1 July 2022.

Labor wants to ensure that all Australian workers get a tax cut this term of parliament, which is why we will be moving amendments, later in the debate, which seek to bring forward the lifting of the tax bracket from $90,000 to $120,000 this financial year. Our amendment, if supported today, would mean that every Australian worker would receive a tax cut in this term of parliament, instead of having to wait three years until 2022-23 to see any benefit from this proposed tax package being put forward by the government today.

Let me turn now to stage 3. The Labor Party does not think it's responsible to sign up to stage 3 tax cuts in this bill now. These tax cuts will cost $95 billion over the medium term and are not intended to come into effect until 1 July 2024—five whole years away.

Two weeks ago, we respectfully asked the government to consider separating the tax package so that the parliament could pass the elements where there is agreement—namely, stages 1 and 2—and bring back stage 3 of the tax cuts at another time of their choosing for the parliament to debate. An approach like this would've allowed the tax cuts due this parliamentary term, and every tax cut that is due this parliamentary term, to pass quickly and with near unanimous support—a good outcome for the government, the parliament and, most importantly, the people we are elected to serve.

Unfortunately, the government rejected this constructive approach outright, and instead will have to make arrangements—or deals, or whatever you want to call them—with the Centre Alliance and others to get the entire tax package through. I should also point out at this stage that the government promised not to do any of those arrangements or deals, which is exactly what they are doing now—all because they refused to work with Labor to get these tax cuts through.

So why does Labor have significant and serious concerns about locking in stage 3 now? Primarily, it's because we think it's irresponsible to sign up to $95 billion worth of expenditure from the budget now, five years before it's due. It appears that the stage 3 tax cuts are the government's highest priority, as they're prepared to sacrifice badly-needed tax cuts right now in order to protect tax cuts that occur outside the forward estimates.

I don't need to tell senators that $95 billion is a lot of money. That's $95 billion over six years, starting at a cost of $12½ billion in 2024-25 and growing to $18.9 billion by 2029-30. For comparison, that $12.5 billion in 2024-25 is more than the government will spend this financial year on government schooling, which is $8.3 billion; universities, at $9.9 billion; or the childcare subsidy, at $8.3 billion. That's just to give you an indication of how much that expenditure actually is.

And, most importantly, we simply don't know whether this $95 billion tax cut is actually affordable. How is the government paying for it? The government hasn't explained how they
will pay for it. They've avoided answering the question. And I don't think, and Labor doesn't think, that this parliament should blindly accept that it will be able to without locking in substantial reductions in other areas of government activity.

What little information we do know about the government's future budget management approach can be found in the budget papers. We know that the government has an arbitrary tax cap of 23.9 per cent. We know that the government is projecting growing surpluses as a percentage of GDP over the medium term. We also know that the government is projecting reduced spending, dropping from 24.6 per cent of GDP this financial year to 23.6 per cent of GDP by the medium term. So, while the government is asking us in this place to lock in $95 billion in extra expenditure, it is also saying, 'We are going to cap revenue increases, reduce spending and increase our surplus.' It just doesn't add up without an explanation of what services this government is going to cut.

Senators are well within their rights to ask how the government intends to pull this off—bigger surpluses, reduced spending and a cap on tax revenue. If the government is asking us to support $95 billion in extra spending, what and how much government spending needs to be reduced to pay for this to reach the government's other fiscal goals? How realistic is reducing government spending from 24.6 per cent of GDP this year to 23.6 per cent by the end of the medium term? Whilst spending as a percentage of GDP has averaged 25 per cent over the last five years, what the government is talking about is that it intends to spend far less than recent historical trends, and it is seeking the parliament's support for that approach.

How realistic is this when our ageing population is going to place more and more pressure on the budget, rather than less? The Grattan Institute states that, in order to get these projected spending levels, real spending growth would need to average about 1.3 per cent per annum over the decade or 1.8 per cent if the economy performs as strongly as the Treasury projects. Either way, this is substantially lower than any previous government has achieved. So does the government expect growth in health spending to fall? Maybe it's defence spending. Maybe it's spending on veterans' health. Maybe it's spending on education. Is the government really serious when it projects that health expenditure will grow at only 0.7 per cent per annum? Is 0.7 per cent for health growth really realistic, despite historical growth being much higher than that? Do the states agree with this approach? I bet you they will all have a view when they realise what this actually means for state and federal relations in the medium term.

Whilst it's easy for some, it seems, to push these spending reductions off into the distance by saying, 'Don't worry, it's five years away; everything will be okay,' Labor can't take that view. To do so would be irresponsible and let down millions of Australians who rely on government services. We think the government should be up-front at a minimum about how it intends to pay for these tax cuts, and it should up-front about what its projected spending reductions will actually mean. These are all spending reductions that are assumed in the budget in order to pay for these tax cuts, but we don't know what they are and we don't know what effect they will have on essential services. The government wants the parliament to sign up to tax cuts that commence half a decade away, when we simply don't know what the state of the budget will be, we don't know what the state of the economy will be and we certainly don't know how these tax cuts—$19 billion of them when they are fully implemented—are actually going to be paid for. As the leader of the Labor Party has pointed out, it's a 'triumph of hope over economic reality'.
In coming to our position on this bill, the Labor Party has tried to play a constructive role to help fix the Liberals' economic mess and provide tax cuts to all Australian workers at a time when that fiscal stimulus is so badly needed. We compromised on the tax package by changing our position and coming towards the government. But this arrogant government refuses to put the national economic interest ahead of its political one. Australians want their parliamentary representatives to stop the pointscoring and political difference and, where possible, carve out common ground, to come together where we can and put the national interest—and, in this case, our economic and budgetary interests—ahead of anything else. Labor has done just that. We have compromised and we ask that the government do so too.

Our amendments to the tax bill, which will be moved later in the debate, would fast-track planned tax cuts now and also seek a discussion over increased infrastructure investment to boost the floundering economy, which is growing at its slowest rate in 10 years. We want to expedite investment in already planned infrastructure projects and bring forward a part of the stage 2 income tax cuts, as I flagged earlier, so that up to $1,350 a year in tax cuts could be provided for workers earning above $90,000, three years ahead of schedule. Our proposal is the only one before the parliament that gives every Australian worker a tax cut in this parliamentary term. The government's plan does not.

In the committee stage, I'll be moving amendments on behalf of the Labor Party that do a couple of things: bring forward to 2019-20 the $90,000-to-$120,000 threshold change and carve out the stage 3 changes from the bill, with a consequential fix to a table in the tax act. I now move the second reading amendment that has been circulated in my name and that also addresses these issues:

At the end of the motion, add:

", but the Senate is of the opinion that:

(a) measures that begin in the 2024-25 financial year should be removed from the bill because it is not responsible to sign up to $95 billion of tax cuts that do not come into effect for five years; and

(b) the Opposition's plan would support the economy now, providing income tax relief to every Australian worker from the 2019-20 financial year and bringing forward infrastructure investment".

The Senate today has an important job before it. We acknowledge that tax cuts are needed for workers in the economy. We want the tax cuts in stage 1 to flow as soon as possible. The government has already broken the one promise it made, by not having them in place by 1 July. We don't want to hold them up. We want to see that cash flow. But we do think the Senate has a role in putting pressure on the government and putting on the record—which I've done today—our concern about what locking in stage 3 means for the years ahead. It is the job of the Senate to scrutinise this.

The job of the government is to say where that money is coming from, how those tax cuts will be paid for and whether there's a commitment from the government not to slash essential services to the Australian community in order to pay for them. A cynical person would say that the reason these tax cuts are timed so that they sit outside the forward estimates is so that we can't actually see how the government is booking this expenditure and what it is doing to pay for it. Let's put aside that cynicism. The government should be able to inform the Senate today how this will be paid for and whether there is a commitment from the government not to cut services. The Senate should be asking these questions.
Later in the day we will be moving the amendments I have foreshadowed, to bring forward what we think is the most constructive and responsible approach that this parliament could show based on the performance of the economy right now. I hope that other senators will support Labor's position.

**Senator DI NATALE** (Victoria—Leader of the Australian Greens) (10:02): Members in this chamber might remember Joh Bjelke-Petersen's horrific vision for Australia. At the heart of his vision in his 'Joh for Canberra' campaign was the notion of a flat tax. That's what Joh campaigned for. Back then he was ridiculed. He was laughed at. He was told that this does not represent the Australia that we believe in. And, today, Joh's vision for Australia—flat taxation, dog-eat-dog, a place where, if you've got a job and you're doing well, the government will look after you and, if you're down on your luck, well, tough luck—is the vision that is emerging as the political consensus within this parliament. Apart from the Greens' strident opposition in this parliament, that is what we are seeing as the emerging consensus position.

These tax cuts are completely at odds with the notion of an egalitarian Australia. We know what they'll do. They'll rip billions of dollars out of our budget. They'll gut our schools and hospitals. They'll stop us from looking after people on Newstart. They'll prevent us from spending the money on infrastructure to modernise our energy system and our transport system. They are going to turbocharge economic inequality in this country. Scott Morrison wants Australia to become Trump's America, with their rampant inequality. He wants to create a permanent underclass of working poor, a privatised health system and massive student debt. That's what happens when you rip billions of dollars out of essential public services and hand it to the wealthiest Australians. This is a disgrace and it is being supported by Jacqui Lambie and Centre Alliance. They're all for it.

**The ACTING DEPUTY PRESIDENT** (Senator Bernardi): Senator Di Natale, I ask you to refer—

**Senator DI NATALE**: By Senator Lambie and the senators from Centre Alliance. They are trashing 100 years of Australia's proudly progressive taxation system for their moment in the spotlight. I say to Centre Alliance, who aren't in the chamber here today: don't you support funding for schools and hospitals? Don't you support pensions? Don't you support infrastructure? Doing all of that in the name of reducing gas prices, some promise on the never-never—you fell for that?

Centre Alliance like to position themselves as a party of the Centre. When you support an anti-union agenda, when you get behind tax cuts for big companies—as they did in the previous parliament—when you support greater media concentration and when you lock in $158 billion in tax cuts that flow to people on high incomes, there's nothing centrist about that. That is the neoliberal hard-right agenda of the Liberal Party, and maybe you should consider where you sit in this chamber.

It's remarkable that this legislation has never even gone off for an inquiry. The house of review will be moving today to send this legislation off for inquiry. Nick Xenophon must be turning in his solicitor's office right now at the thought that procedural fairness is being thwarted by his parliamentary team. It's one of the most significant pieces of economic reform in this country and it has not even gone before a thorough Senate inquiry. If you're in Mayo, the seat currently held by Centre Alliance, just 2.1 per cent of that community earn over...
$180,000 and yet they will be the greatest beneficiaries of stage 3 of this tax cut—$30 billion flowing to the top two per cent of that electorate.

I very rarely give credit to Senator Hanson. We have very few things in common, but even Senator Hanson sees that only 1.8 per cent of regional Queenslanders earn above $180,000 and that the Prime Minister's electorate of Cook has as many people earning $180,000 as the regional Queensland seats of Maranoa, Dawson and Capricornia combined. As for Senator Lambie: if you live in Bass or in Braddon and you're earning over $180,000, you're in the top one per cent of people. And $30 billion from this package flows to only one per cent of people in those electorates—the electorates that she purports to represent.

In exchange for giving millionaires tax cuts, schools and hospitals in Tasmania will be starved of funds. Support for veterans, who Senator Lambie purports to represent—money will be ripped out of the budget, money that could support people again. Every aspect of public investment is on the chopping block because of this disastrous decision. Of course, Scott Morrison—

The ACTING DEPUTY PRESIDENT: Senator Di Natale, refer to the Prime Minister by his appropriate title.

Senator DI NATALE: The Prime Minister is playing the opposition like a fiddle. According to reports, you've got Labor frontbenchers saying the party is 'politically dead' if it blocks tax cuts, and they're urging the Leader of the Opposition, Anthony Albanese, to 'regain the faith' of tradies by backing them. Let's call a spade a spade here. Most tradies don't earn $180,000 a year, and yet $30 billion is flowing to people on over $180,000 each year. Everyday workers aren't going to be the beneficiaries of stage 3 of these tax cuts, and this is the biggest proportion of funding in this package. The median income of working Australians is $58,000. A third of adults aren't actually in work. So when you put those two things together, according to the ABS, the typical Australian's income is actually $37,000. If you abandon all of your beliefs about working people, about fairness and about the opportunities for them, well, in my mind you're already politically dead. What do you stand for? A hundred years of campaigning for progressive taxation and in a moment that will be undermined because of a decision of this parliament.

Thirty per cent of stage 3 goes to the wealthiest Australians and $95 billion will be ripped away from government revenue. Let's actually look at some of the things that we could be investing in today. Imagine that this parliament came together today, took the revenue that's been ripped out of our budget and said, 'We want to create a different Australia.' Here are some of the things that we could be doing: every Australian in this country could have Medicare funded dental care at a cost of $44.9 billion, which is less than a third of what is being proposed in these tax cuts. Going to the dentist in Australia could become just like going to the doctor—bring out your Medicare card and you get dental treatment. We could raise Newstart by $75 a week. You want to stimulate the economy, raise Newstart. You want to make sure that no-one in Australia sleeps rough and that everyone can put food on the table, raise Newstart. That's $55 billion, again, just over a third of the cost of this tax package. We could have free child care for 80 per cent of families in this country if we made a decision to do that, and we could do it at a cost of less than half of this package at $77.3 billion. We could lift all public school funding to meet the necessary resourcing standard—$30 billion—making sure that our public schools get the support that they need. We could create thousands
of jobs in restoring our environment and addressing our extinction crisis—real jobs, employing people not to destroy the environment but to care for it, to look after it, to nurture it, to rehabilitate it at a cost of $20.3 million under our proposal. Home care packages for older Australians: $23.4 billion. We could build half a million affordable homes and address the homelessness crisis in Australia for $84.4 billion, which is just over half of what's being proposed here today. There's so much more we could do, including high-speed rail along the east coast. There are so many nation-building projects we could do. We could modernise our energy system and improve our public transport system. This is the future that this parliament is turning its back on, and to do what? To support the lie of trickle-down economics. We know wealth doesn't trickle down. We know it flows up. It rushes up, and we're going to concentrate more and more wealth into the hands of fewer and fewer people.

Before the election, the Labor Party were resolutely against most aspects of this tax package. The final wash-up of this election is that a couple of seats changed hands, yet we're behaving as though the Morrison government has a mandate for these tax cuts. I say: where is your mandate? What was close to people's minds wasn't your agenda for tax cuts. It was the lie about death taxes. It was the confusion about retiree taxes and home taxes. It was uncertainty about what the future held if there was a change of government. I deeply hope that the Labor Party won't take away the wrong lessons from the election campaign. If people want to vote for a watered-down version of the Liberal Party, why wouldn't they vote for the real thing? If you want to turbocharge inequality in Australia, we know where you want to park your vote. Stand against these changes. We know what the Labor Party said in the lead-up to the election. Chris Bowen, at the time the shadow Treasurer, made it very clear that the tax cuts were regressive. He said: 

... the Liberals are so out of touch that they've given a much smaller tax cut to two million Australians earning less than $40,000.

He's absolutely right. So vote against it! Stages 2 and 3 of the tax cuts, which begin in 2022 and 2024 respectively, are 'fiscally reckless and irresponsible'. Yet here we have the Labor Party supporting at least part of that package, and potentially all of it. At the time, the now Leader of the Opposition said:

We think that stage three, at a cost of some $95 billion down the track … is really a triumph of hope over economic reality.

Jim Chalmers's view was:

It makes no sense to support the third tranche which comes—
The ACTING DEPUTY PRESIDENT: Senator Di Natale, resume your seat for a moment, please. I've asked you many times to refer to members in the other place by their appropriate title. Once again, you've failed to do so—

Senator DI NATALE: The now shadow Treasurer, Jim Chalmers, made it very clear, and I quote—

The ACTING DEPUTY PRESIDENT: Senator Di Natale, I've asked you to refer to members by their appropriate title. You've just repeated 'Jim Chalmers' again and again and again. 'Mr Chalmers' would do fine. Use courtesy and try to obey the standing orders.

Senator DI NATALE: I'll seek to have this ruling addressed in a moment, but I do make the point that we have, on many occasions, referred to members of parliament by their full names, and that has not been ruled out of order. So I'll seek to deal with that at a future time.

The ACTING DEPUTY PRESIDENT: Senator Di Natale, the standing orders are very clear: you should refer to them by their appropriate title.

Senator DI NATALE: Mr Chalmers said:

It makes no sense to support the third tranche which comes in five years away from now and overwhelmingly favours those who are least likely to spend it in the economy.

He went on to say: 'What I don't accept is that tax cuts that they're proposing five years down the track, which flow overwhelmingly to people who are least likely to spend in the economy—that is obviously a con job for the government to pretend that they would have any impact on the slowing economy today.' That is all absolutely correct. And we absolutely support those statements, which is why we hope that the Labor Party will join us in making a clear and unequivocal statement that it will repeal stage 3 of these tax cuts at the next election.

We must get an unambiguous and clear commitment that stage 3 of these tax cuts will be repealed. They are enriching the wealthiest in our society. We know our budget can't afford it. We've heard comment after comment from members of the opposition who have said absolutely clearly that stage 3 of these tax cuts do not warrant support, and we must address it. They've seen the same costings as the rest of us. They've seen the Grattan Institute and the Australia Institute research that shows that these tax cuts overwhelmingly benefit wealthy Australians and that men benefit twice as much as women, entrenching gender inequality even further. Again, I say: don't take it just from the Greens; take it from former senator Doug Cameron, who said that Labor should back the first tranche of tax cuts but that anything further was 'a con job'. He went on to say:

We must not capitulate to News Corp and the big end of town by becoming Liberal-lite.

We couldn't have said it any more clearly ourselves.

We couldn't have said it any more clearly ourselves.

When I hear 'tax cuts', I hear cuts to hospitals, I hear cuts to education, I hear cuts to schools, I hear cuts to pension, I hear cuts to Newstart. That's what tax cuts are a euphemism for. Of course there are alternatives. We'll move later today to make sure that people on low incomes do get some support. They'll get more cash in their pockets not by adjusting tax thresholds and not by flattening our tax system but by ensuring that they get some support, that we increase Newstart by $75 a week, that we raise the funding for our public schools, that we introduce Medicare-funded dental care and that we build half a million affordable homes. We will do all of those things because we do see the tax system as a powerful tool for addressing economic inequality in Australia. We cannot cave in to this trickle-down,
neoliberal agenda. We, as a nation, have fought hard to maintain a progressive taxation system as a means of addressing turbocharged economic inequality. It's getting worse, and a decision of this parliament to unwind the tax system in one of the most significant changes that has ever come before this place would be a huge mistake.

Let me finish by saying the Greens unequivocally oppose this tax package. The argument that somehow stage 3 doesn't take effect for a number of years and therefore we need to pass it and have some chance of reversing it is a furphy and it's a nonsense. If this package does pass with the support of Centre Alliance and Senator Lambie, then we must commit to repealing it. There are alternatives. Those alternatives will make Australia a fairer, more decent society. We must resist at every opportunity the path towards Trump's America, where our tax system is flattened, where economic inequality is worse and where our essential public services are run down.

Senator WATT (Queensland) (10:22): I rise to speak on the Treasury Laws Amendment (Tax Relief So Working Australians Keep More Of Their Money) Bill 2019 second reading debate. Essentially, I'll be echoing the remarks of Senator Gallagher, who outlined the opposition's position on this matter, but I will add some additional comments, particularly in relation to the apparent deals that have been reached by the government with some members of the crossbench over the last 24 hours.

To begin with, I also want to join Senator Gallagher in putting on record the opposition's actual position on this bill, as opposed to what various speakers, including Senator Di Natale, have said. Fundamentally, Labor's position is informed by a couple of things, and they are our concerns for the state of the economy after six years of Abbott/Turnbull/Morrison government under the LNP, as we know them in Queensland. After six years of LNP government, under three prime ministers, now into their third term, we have an incredibly weak Australian economy, where we see interest rates set at a level below inflation. It's actually not even a matter of, if you're wanting to borrow money now, getting free money from banks. The economy is so weak under this government that banks are, effectively, giving money away and it's cheaper to borrow money than it is to just hang onto it. That's how weak this economy is under this third-term LNP government. The interest rates that we're now seeing under this government are in fact actually lower than what were available to borrowers during the height of the GFC, when, I might remind you, there was a federal Labor government in power, which successfully steered the Australian economy through the GFC in a way that was the envy of the Western world. Now we have had six years of LNP government—they're into their third term and third Prime Minister. This group of people, who like to parade around the country as the superior economic managers, have left the economy in a state where interest rates are lower than they were when the world economy sank into the worst economic conditions that it had seen since the Great Depression. So give yourselves a pat on the back. That's what good economic managers the LNP are. Well done!

It's Australians who are paying the price of this. They are paying the price of this in the form of the lowest wage rises we have ever seen in this country. My recollection is that these records have been collected for 30 or 40 years. Never over that entire period of time, whether it be Liberal governments or Labor governments—whoever the Prime Minister was—have we seen Australians' wages increasing at such a poor level while, on the other hand, company profits continued to escalate. We know that some people are doing quite well in this economy.
under this Liberal-National government. They're not lower-income earners, middle-income earners or the quiet Australians that this government claims to represent and claims to have been elected by; they're the largest corporations in this country, the shareholders in those companies and the highly paid executives of those companies. That's who is benefiting under this Liberal-National government, not the tradespeople working in Logan in Queensland and not the retail assistants working in Townsville. Their wages are barely growing. In fact, to make matters worse, this government is quite happy to stand by and see people like retail workers, hospitality workers and hairdressers actually have their wages cut. This government refuses to do anything about the penalty rate cuts that these average working people—the quiet Australians that this government claims to represent—are suffering.

The wages of all Australian workers are barely rising and are barely keeping up with inflation. It's no wonder that people are having trouble paying their bills. It's no wonder that people are so desperately looking for some kind of tax relief from this government. They simply can't get ahead. They're having trouble paying their mortgages and their energy bills—and let's not go there. What a failure this government has been on energy prices. I think we're up to 13 energy policies from this government. I'm not even going to worry about policy No. 14. I'll wait for policy No. 23. We'll probably be there by the end of the year.

It's no wonder that lower- and middle-income earners in this country are screaming for tax relief, because they're not getting any other support from this government. In fact, they're getting a range of policies that are seeing their wages either barely rising or being cut, if they work in retail, hospitality, hairdressing and industries like that. That's the fantastic economy that we're getting from the 'superior economic managers' that we have in this government sitting opposite us.

There have been a range of commentators and official institutions supporting aspects of this tax package. As I will outline, Labor also supports some aspects of this tax package. The Reserve Bank of Australia—if not the most respected economic institution in the country, it is right up there—is calling for tax cuts, particularly for lower- and middle-income earners, to try to get this economy moving, because nothing else the government is doing is working. The RBA is also calling for this government to bring forward infrastructure projects urgently. On another day we will have a proper debate about that, but I think Australians in very short order understand the pea-and-thimble trick that this government has gone ahead with when it comes to infrastructure projects. We've all seen the headlines over the last couple of years about the X billion dollar infrastructure package that this government is going to release for Queensland, New South Wales, Victoria, Western Australia or Tasmania. What's never revealed is that most of those infrastructure projects are so far down the horizon, so far beyond the next four years, that they will have no economic impact whatsoever. Not one single person is going to be employed to build any of those roads, any of those bridges, any of those dams or any of those rail lines, which aren't going to get funded by this government until well into the 2020s. That's going to have no effect on lifting the economy any time soon, and, of course, it's not going to have any effect on trying to fix the very real congestion problems that Australians are experiencing right now and need action on now. As I say, we'll have a proper debate about that another day.

As I say, Labor does support some aspects of this government's tax package. We recognise that the government was elected, that we lost the election. We recognise that particularly tax
cuts for low- and middle-income earners were a key factor in the election debate. That's why we have been humble enough to shift our position in relation to stages 1 and 2 of this tax package. We went to the election opposing the package. We've listened to the Australian people. We've actually tried to compromise with the government on stages 1 and 2, but of course this arrogant government, re-elected against all expectations with a near Senate majority—their hubris has got the better of them so early into this term that they're not willing to talk with the opposition about a sensible compromise package that will deliver tax relief to low- and middle-income earners in Australia but won't drive the economy into a ditch, which is the risk that we face if the entire package, including stage 3, goes ahead.

Labor has already put on the record that it is willing to support stage 1 of the tax cuts that this government is proposing. We recognise that those tax cuts will primarily benefit low- and middle-income Australians—the 'very quiet Australians' who this government has been punishing for six years through lower wages, higher energy costs and a whole range of other cost-of-living increases. We recognise they need a break. We recognise low-income and middle-income people are most likely to spend their tax cuts; they're not people who go and save thousands and thousands of dollars a year. They're just trying to make ends meet. They will go out and spend that money in the shops, in the restaurants and in the local businesses right up and down my home state of Queensland. That will provide the very economic stimulus that the weak Australian economy, presided over by this government, so desperately needs. So we will support stage 1.

We've also more than compromised in relation to stage 2 of the tax cuts, which, again, overwhelmingly benefit middle-income Australians—people who need a bit of a hand to get ahead and the very people who will go out there, spend those tax cuts and get local businesses going and get their local economies moving. In fact, we not only support stage 2 of these tax cuts; we also recognise that the economy needs a desperate injection of funds to get it moving. That's why we've asked the government—and we'll be putting forward amendments today—to bring forward those stage 2 tax cuts. If the economy is in such dire need of an injection that the Reserve Bank of Australia is out there calling for the government to do so then let's make it happen. Let's not stop at stage 1; let's get on with it and bring forward those stage 2 tax cuts so that people can feel the benefit of those right now and get their local economies moving. In fact, if the government—and the crossbench, for that matter—is willing to compromise and support Labor's amendments to bring forward stage 2 of the tax cuts, the effect of that will be that every single Australian worker will get a tax cut, because those stage 2 tax cuts will benefit people who are earning more than $90,000 a year. If you want to have an argument about which party is supporting tax relief for low- and middle-income Australians, for all Australian workers, I'm happy to have that debate. The amendments that Labor is putting forward, seeking to bring forward stage 2, will have the effect of making sure that every single Australian worker will get a tax cut. If the government actually supports tax cuts for middle-income earners as well as low-income earners then it will change position and back Labor's amendments to bring forward those stage 2 tax cuts.

Of course, as Senator Gallagher has outlined, we do continue to have strong concerns about stage 3 of the tax cuts package that the government has been putting forward and that's for a couple of major reasons. They really come down to the incredible economic irresponsibility which is being displayed by a government that likes to say that it's a superior economic...
manager. If you're a superior economic manager, would you seriously be locking into the budget in 2019 tax cuts amounting to nearly $100 billion that won't actually start being paid until 2024-25? Not one person in this building, not one person in this country, knows what the economy is going to look like in 2024-25. That's five years down the track. If we believed what this government has been telling us for the last six years, we would have been seeing people dancing in the streets by now celebrating the economic joy that this government has been promising for six years. For every promise this government has made over the last six years—that good times are just ahead and that people are going to be benefiting from their superior economic management—we would be seeing it by now. We wouldn't be needing to see the very tax cuts that this government is putting forward.

How on earth can we have any confidence in what this government is saying the economy will look like in 2024-25, when the stage 3 tax cuts will actually take effect? It's not just Labor saying this. Again, we've had a range of economic commentators, including the Gratta Institute, appeal to the government to pass the stage 1 tax cuts now but to defer the stage 3 tax cuts to a time down the track, closer to when they'd take effect, when we have some idea about what the economy is actually looking like. The Gratta Institute's information that they put out this week states:

…the Stage 3 cuts, scheduled to come into effect in 2024-25, would cost the budget $85 billion over the subsequent six years. We do not know now whether these cuts are affordable or the right size and shape for the economy so far into the future.

The economy is softening, the budget position is uncertain, and calls for the Government to use fiscal policy to stimulate the economy are growing.

So there is an argument for the stage 1 and 2 tax cuts to happen right now to get the economy moving. But do we seriously think that anyone out there in the Australian community, if this bill gets passed without our amendments, is going to say, 'You beauty, in 2024-25 I am going to get a tax cut from the Abbott-Turnbull-Morrison government'—probably by then the Canavan-Smith-Scarr government, because you will probably move to the House of Representatives and you'll be the next leaders. We don't even know how many Prime Ministers we will have between now and 2024-25, let alone what the economy will be like. Do you seriously think there is anyone sitting in Western Australia, where Senator Smith is from; in Rockhampton, where Senator Canavan is from or in Brisbane, where Senator Scarr is from, today who is going to race down to the shops tomorrow and spend a whole bucketload of money buying a big, new TV from Harvey Norman, or whatever they're going to do to get the economy going, because they know they are going to get a tax cut in five years time? Really? If you know people like that, I would like you to introduce them to me, because they're obviously easily deceived.

The stage 3 tax cuts are totally economically irresponsible. They are also grossly unfair. I might just pick out one aspect of this, and, again, this is particularly for Senator Canavan's benefit. I spent the last term reminding regional Queenslanders of how often we had seen the Nationals talking the talk in regional Queensland about how much they cared about regional Queenslanders, then coming down to Canberra and getting their tummies tickled by the Liberals, rolling over and supporting policy after policy after policy that ripped money out of regional Queensland and sent it straight into the north shore of Sydney. Here we go again.
You would think that the Nationals would have some gratitude for regional Queensland, which I accept voted for them in droves. We got a shellacking in regional Queensland. The Nationals did very well—congratulations. You really would think that there'd be a little bit of gratitude from the Nationals, that they'd repay the favour to regional Queensland and not back in the stage 3 tax cuts that overwhelmingly will be benefiting people in Sydney and Melbourne, and not in Rockhampton, not in Mackay, not in Townsville, not in Gladstone, not in any of those regions—

Senator Canavan: What about the Gladstone port worker?

Senator WATT: Of course there are people in Gladstone and Rockhampton who earn more than $180,000, but you know as well as I do, Senator Canavan, that they are not in the majority. They are a tiny minority of people, and the majority of people who earn that kind of money are sitting in inner-city Brisbane, inner-city Sydney and inner-city Melbourne. They're not in Rockhampton; they're not in Gladstone. And here you are again supporting your Liberal overlords to do the very things that benefit their constituents and not your own.

I'll spend my remaining time talking about the dodgy deals which apparently have been made overnight, particularly with Centre Alliance. Of course we still don't know what the nature of those deals are. Senator Patrick was interviewed on Radio National this morning. He still doesn't seem to know exactly what the deals are, but he is prepared to sign up to this deal to ship all this money out of South Australia—again, they'll send it off to Melbourne, send it off to Sydney. As to the people who don't earn that kind of money in South Australia, he is prepared to sell them out—sell out his own state—for a deal even though he doesn't even know what that deal is. 'It's something about gas. Don't worry; we're going to do something about gas. Yes, I've got a nod and a wink from Senator Canavan; I've got a nod and a wink from the Prime Minister and Senator Cormann. They're going to sort it out. It's going to be good for gas prices.' But he can't even tell you what the deal is, let alone tell the Australian people or the South Australian voters who elected him what the deal is.

Apparently what this deal is going to do is bring down gas prices. I recognise that, again under this government, we've seen nothing but energy price increases, whether it be electricity or gas. I feel for people in South Australia, just as I feel for people in my home state, about the gas prices and electricity prices that they're paying. So, if there was actually some prospect that this deal would deliver, you might think about that. But I can tell Senator Patrick, and I can tell every member of the government who has signed up to this deal, that we are going to be watching what actually happens to gas prices. I saw in Senator Patrick's interview with the ABC this morning that he was pressed and pressed and pressed about what it would mean for gas prices, and he said, 'I think probably a realistic measure is something in the order of about $7 per kilojoule for gas.' Currently we're paying about $9. We want to see that decrease, and we're going to be watching. (Time expired)

Senator SIEWERT (Western Australia—Australian Greens Whip) (10:42): I too rise today to speak on the Treasury Laws Amendment (Tax Relief So Working Australians Get More Of Their Money) Bill 2019—or should I say 'treasury laws amendment (destroying Australia's progressive tax system)' or 'giving to those already doing okay even more money'? The gall of this government to pretend it cares about low- or middle-income Australians when this bill does nothing for those on the lowest income, those struggling to survive on Newstart or youth allowance. It does nothing for them, while the bulk of the money goes to those who
are already doing okay, thank you very much. It will not help those on the very lowest incomes. Not only does this do nothing, but the government clearly intends to do nothing for those people.

On top of that, where does this money come from? When you look at the budget papers—and I'll go into this in more detail a little bit later—it comes from not spending on services for the very people who are going to be the worst off under this proposal. So it's a double whammy. You're not increasing Newstart, youth allowance and those other payments that really need an increase, but you also cutting services that would in fact be helping those very people.

This bill implements reductions in personal income tax rates over three stages. The proposed changes are on top of the tax cuts already legislated through the Treasury Laws Amendment (Personal Income Tax Plan) Act 2018. Together these tax cuts will cost the government approximately $158 billion over 10 years. This cut means spending will shrink—we can make no mistake about that—and that will impact on the people who can least afford to pay.

Stage 1 of the tax cuts, commencing in 2018-19, increases the low- and middle-income tax offset, which is a non-refundable tax offset. This stage will reduce government expenditure by about $14.9 billion or $15 billion over the decade. Stage 2, commencing in 2022-23, further increases the lower tax offset and changes the top taxable income threshold. This stage will reduce COMET expenditure by approximately $47.6 billion over the decade. Stage 3 of the tax cuts, commencing in 2024-25, further reduces the marginal tax rate from 32.5 per cent to 30 per cent. This means that taxpayers that have a taxable income of between $45,000 and $200,000 will pay a marginal tax rate of 30 per cent. People with taxable incomes of $200,000 stand to gain a maximum of $11,640 each year from these changes.

I'll just stop here very quickly and say that those on Newstart get about $15,000 a year. So, under this proposal to cap taxes, those on that high income of $200,000 will be gaining in tax almost as much as a person gets on Newstart—a person who is trying to survive on Newstart. That is simply outrageous. This stage will reduce government expenditure by a whopping $95.4 billion. Clearly, this money is disproportionately benefiting those on the highest incomes. It's really clear where the government's priority is. My colleague Senator Di Natale, the Greens leader, has already outlined that we will be moving amendments that, in fact, would deliver better outcomes relating to tax offsets for those on low and middle incomes, and my colleague Peter Whish-Wilson will, I know, be talking about that further.

Let's have a think about how we could better spend $158 billion. We could start by raising Newstart and youth allowance. The other day I came across some documents that I had been working on in 2012. They related to the inquiry that we had about the adequacy of Newstart and other payments. We have known for a very, very long time that Newstart and youth allowance are inadequate. In 2010 they were inadequate, in 2012 they were inadequate and in 2019 they are disgustingly inadequate. People in this country are living in poverty. And what are we doing? Giving people on $200,000 a whole lot of money that's nearly the equivalent of a whole Newstart payment. What is this country coming to when we think that is okay? And the crossbench is about to lock that in! They are about to lock that in by agreeing to—well, we don't know! So much for transparency in this country. We don't know what they're agreeing to, because it's all a little bit airy-fairy; it's all on a promise.
I wouldn't trust this government as far as I could throw them. They don't care about those on the lowest incomes, because, if they did, they would increase Newstart. They keep promoting this absolute fallacy that Newstart is only a transitional payment and it's only to help people through while they are out of work for a short time. That has been demonstrated time and time again to be false. People, particularly certain cohorts, are stuck on Newstart for a very long time—a very long time. Single parents with children are stuck on Newstart. And we know—the evidence is really clear—what the impact of poverty is on those living in poverty. It is a barrier to finding work and it has long-term impacts on the children that are growing up in poverty.

It has been demonstrated time and time again that we need an increase in Newstart, and it has been called for. The Business Council, ACOSS—the list goes on and on of the number of organisations and people who see the wisdom of increasing Newstart. Just a couple of weeks ago, we saw Philip Lowe, the Governor of the Reserve Bank, say that an increase in Newstart would be 'good for the economy'. You know why? Because when you're living below the poverty line, when you're living, literally, from payment to payment, any increase you get, you spend. You spend it on either meeting a bill—making sure you're paying those bills and they're not in arrears—or putting food on the table. You stimulate the economy. You buy those extra little things you need for your kids. You make sure that you give them a little bit of extra money so they may be able to buy something once a week at the canteen like all the other kids at school. It would absolutely stimulate the economy directly, and the Reserve Bank governor says so.

Over the past 30 years poverty has remained consistent in Australia despite economic growth and low unemployment. But this government continues to do nothing to eliminate poverty or reduce income inequality, and this will make it worse. We don't have a poverty reduction plan. In fact, the plan is to actually increase poverty, because we are not dealing with Newstart. We don't even have an agreed national definition of poverty, let alone regular reporting by governments on any progress to address it.

Today there are around three million people in Australia living below the poverty line. Over 700,000 children are living in poverty, which has increased by two per cent over the past decade. The reality is that we are living in a time where income inequality is rising alongside the cost of living. This is the worst time to be handing out tax cuts to the wealthy and big business.

The people experiencing poverty at the highest levels in Australia are those living on Newstart and youth allowance. We have the second worst poverty rate amongst unemployed people in the OECD. We need only look at the statistics on food relief and housing stress to see that income support payments are inadequate. Charities across Australia are struggling to keep up with the demand for food relief. The proportion of food-insecure Australians seeking food relief rose from 46 per cent in 2017 to 51 per cent in 2018. Children in Australia are more likely to live in food-insecure households than adults. I reinforce the message that living in poverty is a barrier to employment but it can also have lifelong impacts.

This year's Anglicare Rental Affordability Snapshot shows how people receiving Newstart and youth allowance are experiencing housing stress. It once again demonstrated that there are no affordable rentals for a single person on Newstart or youth allowance in any capital city in this country. Yet the government stands there with its hands in its ears and its hands
over its eyes; it won't hear and it won't see what is happening to people who are struggling on income support in this country.

We also know that poorer people have increased levels of psychological distress, which is associated with poor mental health and issues such as depression and anxiety. Nobody is getting a fair go when they are living in poverty on less than $40 a day. The government, as I've said, claims that Newstart is only a short-term payment and justifies its refusal to increase the rate. This is simply not true. We know that 44 per cent of people receiving Newstart and youth allowance are on these payments for over two years and 15 per cent for over five years. It is clear that the perverse and punitive rules that we have in place on people who are receiving income support payments are keeping people in poverty and acting as a barrier to employment.

Since 2014, and that dreadful budget that we can all remember, more than $1.8 billion has been ripped from the community sector—those who are helping those who are the worst off. These tax cuts will undoubtedly result in more cuts to services and programs by generating less money for essential public services like social security, health and education.

But let's look at the budget papers for 2019-20. When you take a closer look at them you will see that there is less spending on families, children and communities over the next five years. Look at the Department of Social Security budget statement on page 63 and what's budgeted at program 2.3, 'Social and community services'. The estimated expenditure for 2018-19 was around $277 million. If you then go to what is projected for 2022-23 you will see that it is $259 million. That is a drop, when we know that we will have inflation, that we have an increasing population and that the government is not doing anything to increase Newstart. People on Newstart will still need services. You are cutting services. That's where these cuts are coming from: services. These are coming off the back of the most disadvantaged in our community.

Let's turn to something that most people in this chamber won't know about—that is, the equal remuneration order. If you think back to over about five years ago, we made sure that there was an increase for those working in the community sector, and the government made sure that they put money into that. Well, that runs out next year—$500 million runs out—but it's not being made up for in the money that is going to the community sector. In other words, they will have less money through this process—through the budget there is already less money going there. On top of that, if this government does not address the issue around the ERO, as it's commonly called, these organisations will have to make cuts. That will be a triple-whammy now to these services: increased caseloads and reduced real funding through the budget, because they will no longer be able to provide the same number of services if they are to pay their workers proper wages.

This comes on the back of the most disadvantaged in our community. It is simply outrageous! You are destroying our progressive tax system. You are destroying our community services and public services and universal delivery of services. When you look at health, the money in the budget into the forwards does not properly address the true cost of inflation in the health budget. So, again, inevitably that will come out of the pockets of the most disadvantaged. Because you're giving money to the wealthy, they will be able to pay for it. The most disadvantaged will not be able to pay for it. That's the true cost of these budget
tax cuts. These budget tax cuts will impact on the most disadvantaged in the community, throughout our service delivery system.

What else do we spend this money on? Let's look at aged care. We know we have a shortage in residential aged care, particularly in levels 3 and 4. We know we need an increase there. You could provide a lot of beds with this amount of money. You could actually make sure that we are delivering care. At the moment we have a royal commission inquiring into our inappropriate and ineffective aged-care system. We know from the evidence—again, I know the government doesn't like the word 'evidence'—that we need to increase the level of care, per resident, in residential aged care. We know that it needs to increase to least four hours and 18 minutes. We could spend some of this money on looking after our elderly. We could afford to pay for Denticare. These cuts will have devastating impacts on those on the lowest income.

At the same time that the government professes to care for those on low and middle incomes, it has now signalled that it is going to have another go at attacking our industrial relations system by further undermining workers' rights to campaign and take action and to make sure they have fair pay and fair conditions. They have already cut penalty rates. And who does that impact on? It impacts on the lowest paid. What the government should be doing is increasing Newstart and youth allowance if it wants to stimulate the economy. We know from the Reserve Bank governor and from a long list of experts in this field that that would help stimulate the economy and help those on the lowest incomes. I foreshadow that I will be moving as a second reading amendment that:

At the end of the motion, add:

“but the Senate:

(a) notes that the bill does nothing to assist people receiving newstart allowance or youth allowance; and

(b) calls upon the Government to introduce legislation to amend the Social Security Act 1991 to increase the maximum single rates of newstart allowance and youth allowance by $150 per fortnight”.

That's what would really help those on the lowest incomes. That's what would really help stimulate our economy.

These tax cuts are coming at the expense of our progressive tax system, at the expense of those on the lowest incomes. These tax cuts will result in cuts to essential services that people need, particularly as this government is refusing to address the issues around Newstart. We are urging the crossbench to reconsider their support for these tax cuts. They are bad for this country. They are bad for the people that they profess to care about. We urge the ALP to vow to repeal these tax cuts. If the ALP genuinely care about people on the lowest incomes, they will see the absolute flaws in this.

It is a travesty that we are giving so much money through these cuts to the top end of town, to those that are on high incomes and don't need these cuts. The people that need a boost are those that are trying to survive on $15,000 a year. Go and try it. I did, and you can't do it—and that was in 2012. Things have gone up since then. We oppose these tax cuts. We stand for the most vulnerable people in this community. We stand for a fair Australia, and these tax cuts are not fair.
The ACTING DEPUTY PRESIDENT (Senator Gallacher): Senator Siewert, just for clarity: you've foreshadowed the amendment that you will be seeking to put?

Senator SIEWERT: Yes.

Senator ROBERTS (Queensland) (11:02): This is not my first speech but, as a servant to the people of Queensland and Australia, I want to speak on behalf of the hundreds of thousands of honest Australians and Queenslanders who voted for One Nation at the last election and the vast majority of Australians who did not vote, in their primary vote, for the government. I listen to the people and I speak for the people, because One Nation is of the people. Let me make it very clear: we believe that money should be in peoples' hands not governments' hands. So why not bring the tax cuts forward? That's a question I want to consider.

Tax is an issue that's dear to my heart. It drives behaviour, and many people seem to forget that. Tax creates or chokes the environment for small business, large companies, employees and consumers. That is clear. It's well known, yet the government seems to be forgetting it. I've said many times in the Senate and in public that the taxation system in this country is our most destructive system in Australia. It is choking our country. When we change the tax system for the better, we will change behaviours and we will actually have smaller deficits—and I'll touch on that later today. But for now I want to introduce another concept, productive capacity. It's what our country will produce in the future. What is the capacity of us to produce and to produce effectively and efficiently? There are students in the gallery of this chamber from time to time, and it is their productive capacity that I'm particularly concerned about—the future of Australia. That's why we do not just tick and flick what the government puts up; we do what's best for our country. I want to thank Senator Cormann for the two presentations he arranged from the staff of the Treasury—great people. We got on very well and we appreciate their advice to us and their sharing of some information.

It's tempting to grab hold of the tax cuts—the tax offsets, sorry; they're not tax cuts, they're tax offsets—as a sugar hit, and the promise of bigger tax cuts after another two elections, more than half a decade away. Yet high energy prices, right now, are highly regressive and hurting the poor the most. So much for the bleating from over here from the Greens! They are in favour of, they have caused, the higher energy prices that are highly regressive for the poor. In the world's greatest exporter of energy, this country, we have pensioners and other most vulnerable people who cannot afford energy.

I can remember, as a high school student, cycling past the Kurri Kurri smelter in Kurri Kurri in the Hunter Valley as it was under construction. That smelter shut down recently because of the destructiveness of the Liberal-Labor policies on energy.

We support tax cuts—yet we want to consider the risk in getting rid of a $158-billion revenue stream and not replacing it. Why does the government lock itself, and two future governments, into a position half a decade out? And will the government guarantee no rise in GST?

Tax offsets, not tax cuts, are only for people paying tax—yet not all taxpayers—because they're really hand-backs or offsets that the ATO calculates. And they don't take care of people who don't pay any tax at all, such as pensioners.
So what about pensioners being choked with rising energy prices and rising food prices due to drought and high water prices? What about farmers—food producers—crippled with water prices? Until recently, Liberal-Labor governments—and I say 'Liberal-Labor governments' deliberately, because it makes no real difference, as I'll show you in a minute—borrowed money for recurrent expenditure. That's like a family putting its grocery bill on the home loan.

Why are Canberra public servants paid such huge salaries? What happened to our Constitution's competitive federalism and the accountability that it brought? I'll tell you what's happened to it: it's been destroyed.

Tax offsets are a sugar hit and can be taken away from the people through electricity prices overnight—well, within 12 months. Yet infrastructure charges—which are what my leader, Senator Pauline Hanson, and I have been advocating for—cannot be taken away, and they increase the productive capacity of our country.

If the economy will benefit so much from the government's supposed tax cuts, why are we waiting half a decade until 2024-25? Why not do it straightaway? It's all about priorities—as I'll show you, because One Nation wants reality for the people of Australia.

I'm going to discuss some problems and then some solutions. One Nation focuses on two primary things: management of our economy today and the vision for the future. Managing today requires two components: (1) cost of living—focusing on that, in economic management; and security, in terms of who we let into the country, for example; and (2) the vision for the country's future productive capacity. Good governance involves stewardship, management, governorship—which is for the long-term future—and trusteeship of the values of this country and our culture.

Let's discuss some facts briefly. 'Mandate': the government says it has a mandate. The government got one-third of the votes—or less than that, in places. And certainly we have a mandate in the Senate to speak for the people who support our campaign on energy and infrastructure.

Just a note to the Prime Minister: he does not tell the Senate what to do and how to do it; the Senate makes that very clear. It is under the Senate's grace that we debate issues, because the Senate is the house of the people of the states and a house of review.

On the debt, I say as I look to the members of the government over here: the debt in this country has doubled under your rule, Prime Ministers Abbott, Turnbull and Morrison. And Mr Morrison, by the way, was also the Treasurer. Prime Minister Morrison's Liberals got fewer votes than Mr Turnbull's Liberals.

And regional Australia now is in recession. Businesses are shut. Go to anywhere from Cunnamulla to Cairns and you'll find shops boarded up—empty, vacant, dark, oppressive. Interest rates have just been cut to one per cent, yet credit card interest rates have been raised 1½ to two per cent.

Let's turn to the Governor-General's recent speech on behalf of his government. He said, 'A government's role is to shape the environment so people can seize the opportunities.' I agree completely. And he said, 'We are good people.' Again, I agree. Yes! In Australia we have amazing, resourceful, practical, innovative people. We have abundant resources. We're the world's biggest exporter of energy. There's plenty of water up north. We have a great climate.
Our soil is a little bit thin compared to other agricultural countries, but we have so many boundless resources. And yet we're led by wombats.

Let's consider the poor economic management under the Liberal-Labor duopoly, which is destroying Australia's productive capacity and potential and destroying our environment for investment in the future. History and the record of Liberal-Labor show us that they're building facades and selling them. That's the history of our country in recent decades. There's more interest in looking good than doing good, and I'll explain that in a minute too.

But let's come to the primacy of energy. The No. 1 lesson of the last 170 years, since the start of the Industrial Revolution, is that the ever-reducing prices of energy in real terms have led to enormous increases in human progress. That is clear. Yet, under the Liberal-Labor duopoly, in the last 10 years we've seen a doubling of energy prices. It's a reversing of the energy trend, and that will lead to the future of our kids being a decline in human progress. That's what we want to reverse—that decline.

Let's think about the Renewable Energy Target. It was brought in by the Howard government and put on turbochargers by the Rudd and Gillard governments, destroying our competitiveness in this country. Network costs are high as a result of gold plating because of the structure of those under the now National Energy Market, which is really a national energy racket. Retailers are making money for jam, with guaranteed returns. The National Energy Market is not only a dictat of bureaucrats; it is able to be gamed, and companies, including foreign owned companies, are now making off like bandits while pensioners freeze.

Then we have privatisation and corporatisation. I was once in favour of government getting out of just about everything, but I've come to realise that, when it comes to monopolies like electricity and water, we cannot afford to have those assets in the hands of foreign owned multinationals that don't give a damn about our country. Under the old regime of competitive federalism, each state was responsible for its own electricity prices and reliability, and the focus of the minister in charge was to drive down the price of energy while ensuring reliability. Now, under privatisation and corporatisation, the focus is on the boards governing those entities driving up the price to maximise profits, without adding any more value. That is scandalous. That is now focusing energy deliverers on raising prices, and when we focus on raising prices what do we get? We get rising prices, higher prices. We've gone from having the cheapest energy in the world, with a focus on declining prices, to having the highest electricity prices in the world, with a focus on driving up the price of energy. That is simple, but no-one talks about it.

Think about the example of Kilcoy. We have a Chinese company wanting to buy land there and build the largest solar industrial complex in the Southern Hemisphere, perhaps in the world. They want to add cadmium and lead to Brisbane's water supply. But it's not just Brisbane; it's Ipswich, possibly Toowoomba, the Gold Coast and Logan. More than 2½ million lives are threatened. We're turning productive, high-quality prime agricultural land into an industrial wasteland for low-density energy production. Who did this? Liberal and Labor did this. And who pays? The people pay.

Then what we see is our coal going overseas to China to build wind turbines. They can use our coal more cheaply than we can because of our ridiculous Liberal-Labor regulations of the last 10, 15, 20 years. China is at a competitive advantage already. They send their wind turbines and their solar panels to us while they use our coal to generate electricity cheaply.
And then we pay them subsidies to destroy our electricity network. We pay them subsidies! This would be like John Curtin as Prime Minister in 1942, when he saw the bombs falling in Darwin from the Japanese bombers, sending a cheque to the Japanese government, saying, 'Here, you might need a subsidy to help you destroy our economy.' I'm not criticising the Chinese for doing that. They're making a rational decision as a result of our government's stupidity. We're subsidising the destruction of our country.

Think about property rights. Think about people like Dan McDonald, an honest, hardworking farmer; farmer Sharon Lohse; and Bruce Wagner in Boonah. John Howard was agnostic on climate. He even said so seven years after he did the damage. His government stole farmers' property rights to comply with the UN's Kyoto protocol. You're wondering why I'm angry? It's because it happened all across Queensland and most of New South Wales thanks to Bob Carr and Peter Beattie. The initial agreement was with Rob Borbidge, the Premier of Queensland in 1996, when John Howard floated the idea to comply with Kyoto and cut the guts out of our agricultural sector. His government did it deceitfully by avoiding the Constitution so that they wouldn't have to pay compensation.

This is destroying the productive capacity of our country. Who did it? It was the Liberal-Labor duopoly. Who pays? It's the people who pay. The Liberals and Labor have identical or similar political positions on climate that are driving higher energy prices. The onus is on them to provide the data and facts justifying their policies, because they never have. Former Senator Ian Macdonald, from the Liberals, said in 2016, in this chamber, that we have never had a debate on climate science—never. He is correct. The Liberals and Labor have similar policies on gas. They are abandoning Australians and Australia. There are high immigration numbers under the Liberals and Labor. On foreign ownership, go for it, under the Liberals and Labor.

The Liberals and Labor are working together against minor and medium parties. Prime Minister Morrison suggested Labor and the Greens ahead of One Nation when it comes to preferencing. When are the Liberals and Labor going to merge? They are both chasing the same voters. Labor abandoned the workers. Liberals abandoned small business. The Nationals abandoned the farmers and the bush. When are they going to merge? They are all chasing preferences from the Greens. Maybe they will merge with the Green's who are the ones who set the agenda. At times, they even suggest to preference the Greens first. That tells you about the Liberals and Labor. Labor always preferences the Greens first.

Who did this, again? It was the Liberals and Labor. Who is paying? It's the people. Every monopoly ever has been created by government. That includes education, energy and the centralisation of government. The tax offsets and cuts will be chewed up by higher energy prices and water prices within 12 months. The poor need real jobs and hand ups, not handouts. Tax rates and bracket creep mean nothing to people who have no job or have lost their assets to capricious banks, as many farmers have. We have a needlessly complex tax system that is made more complex because of the convoluted way that this government is giving tax breaks to low- and middle-income earners—we applaud that but not necessarily the way they're doing it—while ensuring a surplus and overall longer term bracket creep.

Think of these considerations. Think of progressivity. Theoretical, contrary to what the Greens say, the government has maintained that. We compliment them for that. Think of bracket creep. It is cyclical. They are not doing anything about bracket creep. They are just
putting it off for another day. Think of a consumption boost. Potentially there could be, but the people in the Treasury can't really say where it will be spent. Will it be spent on imported goods, helping the Chinese and the Americans, or on Australian goods? Think of the budget's effect. It is affordable, so they say. They will keep the budget in surplus. There is then the political balance and a narrative. They need a surplus even if it is tiny and fragile. They then want horizontal equity so that the same tax is paid even if there are different income sources.

Get this: they want to maintain a 24 per cent tax take. In this beautiful country, the aim used to be 10 per cent. It has gone up two and a half times under the Liberals and Labor. It's an already complex tax system made more complex by offsets. Yet, out of this mess, eventually comes a better, simpler tax system. That would be half a decade from now, after two more elections. Who knows what will happen in between. People need transparency in the tax system, because that's what drives behaviour. With offsets, they don't get that. People in this country feel confused, directionless and hopeless. It's five years before they can get some real relief for middle-income earners.

These tax cuts and tax offsets are yet another political distraction, hiding the reality of economic mismanagement. The productive capacity of our country is being destroyed. Foreign multinationals pay no company tax. The weakest people are the PAYE people, which is the vast majority of Australians, frantically too busy surviving and complaining to take action. Farmers are abandoned, workers are abandoned and PAYE people are abandoned, and yet there's a possible structural change going on in the economy right now, according to the Treasury. Now we have competitive welfarism across the state rather than competitiveness.

Here are some solutions. If the tax cuts are so good, so beneficial, bring them all forward and get the benefits now, straightaway: increased economic behaviour, increased economic activity and possibly a higher tax take. We've seen modelling just recently, and we'll be back on this, from the University of Queensland and the CIS on that. They can do both, tax offsets and investment in coal-fired power and water security, to drive down people's costs, removing the artificial burdens on energy. They can tax foreign multinationals who currently pay no company tax, and they can do that to dramatically improve the surplus. How about this for an idea for the government? The $3 billion that's currently paid for subsidies to energy producers could be paid out of consolidated revenue. Mrs Brown, the pensioner down the road, currently pays for the subsidies to multinational electricity producers and the state government of Queensland. Higher electricity prices are highly regressive. It's a hidden Greens tax. Instead of the pensioners paying for them and instead of all of us paying for them—the wacky Greens programs that have been picked up by Liberal and Labor—why not have it coming out of consolidated revenue, paid for by increased revenue from multinationals?

Conclusions from me: economic mismanagement is destroying Australia's productive capacity and potential and yet we have enormous potential if we get back to basics. We need to invest in productive capacity: coal-fired power and water infrastructure. We need proper tax reform and tax rates locked in. One Nation is about positive policy for managing Australia, reducing the cost of living through proper economic management, enhancing security and having a vision for future building. We need creative and productive investment for the future. We need proper, responsible economic management. (Time expired)

Senator PRATT (Western Australia) (11:22): Throughout this debate, it is only the Labor Party that has been advocating that all working Australians receive a tax cut now because
both our economy and many households are struggling. Letting the Treasury Laws Amendment (Tax Relief So Working Australians Keep More Of Their Money) Bill 2019 through in its current form, unamended, fails in our duty to all Australians. We know that Australians are struggling under mortgage stress, flat wages growth, the rising cost of living and power prices, but this bill before us today does not prioritise the needs of Australians properly. It's quite reasonable to bring forward the second stage of the tax cuts, because more money in the pockets of more Australians now gives our economy the stimulus it so desperately needs. Letting this tax bill go through in its current form does a disservice not only to the people of my great state of WA, who have put their trust in me after the recent election, but to the whole of Australia. This bill, as Labor proposes, should be split, allowing the first and second stages to go to the intended middle and lower income earners. That gives the much needed boost to the economy. But, instead, you are so ideologically driven towards wanting to do the tax cuts for high-income earners down the path, in the future, that you're not prepared to bring forward those stage 2 tax cuts in the interests of the economy now. The first and second stages would allow a much needed boost for an economy that we know is already in trouble.

You are irrational when you say that the third round of tax cuts are planned for 2024, when you have no idea of the economic climate that we will be dealing with in that time. We should be waiting to see what the economic conditions are before we revisit such an idea. You projected that there'll be a $9 billion surplus in 2022-23—that's including the $16.4 billion worth of planned tax cuts for that year—but what we know is that the Reserve Bank's forecast for the next few years, which was released only in June, looks much bleaker than in the March budget. The March budget predicted a 2.75 rate of growth in wages. The Reserve Bank's forecast, a mere two months later, predicts only 2½ per cent. All signs keep pointing to not legislating these $35 billion worth of tax cuts that are five years into the future, a future that we can't possibly predict now. At this moment, more than anything we shouldn't be making grandiose plans without knowing what kind of environment we need to work with in the future.

The economy has been growing, thanks to this government, much too slowly in recent years. The rate of growth in Commonwealth spending after inflation is estimated to fall from an average of 2.6 per cent per year from 2013-18 to 1.3 per cent in 2019-22. This is not good enough when it comes to public goods and services in our nation. So, instead of looking down the track, why not work quickly now to improve income growth and spending on goods and services across the nation by bringing stage 2 forward? If we get them going this year, it will mean we're able to directly help lower and middle Australia now. For that modest cost of $10 billion, we'd be able to directly lighten the load of struggling families, who might not feel able to comfortably spend on a new vacuum cleaner, getting the car serviced—all of the things that should be injected into our economy now with increased consumption and spending. People would be putting more money into the economy. Allowing the second stage and the first stage through, going to the intended middle- and low-income earners, gives that boost to our sluggish economy that you over there, in your heart of hearts, desperately know we need.

You can't paper over the state of the economy, as much as you might like to. The economy has slowed to a pace not seen since the global financial crisis a decade ago. The Reserve Bank has brought interest rates to a level lower than we saw during the global financial crisis. We
know that the Reserve Bank has real concerns about the continuation of sustained growth in the economy. They have also said that their monetary policy is not enough. We have an opportunity, in this bill before us today, to do something more.

Interest rates through the Reserve Bank are lower than we saw during the global financial crisis. We must do something about the concerns in our economy. The one per cent rate of interest is an indictment of the economic mismanagement we have from the Liberals. It's one per cent. What are you doing in the meantime? You refuse to change the deeming rate for pensioners from 3½ per cent, where you deem that that's the income that they will earn from their savings. No, it's one per cent. One per cent is the official interest rate now. You want to give these tax cuts to higher income earners down the track but you refuse even to change the deeming rate for pensioners now. You are void of economic policy, which is clearly something that the Reserve Bank sees. We have stagnant wages growth, weak economic growth and mortgage stress—mortgage stress that's clearly being experienced in my home state of Western Australia, where mortgage defaults are the highest in the country.

What you can and should be doing with these tax cuts is injecting more cash directly into middle-income and lower-income households, who are more likely to spend it and boost the economy. Another good thing to do is to have direct investment into infrastructure and services—a critical thing to get our economy back on track—and to make sure that our dentists, cafes, local shops are thriving and vibrant. The boost that our economy needs is not going to be achieved through stage 3 of these tax cuts, which are down the track. Stage 3 is aimed at high-income earners, who have clearly been shown to save or invest at least a third of their income. What's more, they are down the track and we don't know if we can afford them. As the Reserve Bank said earlier this week:

Consumption growth has been subdued, weighed down by a protracted period of low income growth and declining housing prices.

The government, with its 'nothing to see here', does not even have a wages policy. You did not have one to take to the election and you do not have one now. Your last policy was to cut penalty rates for some 700,000 working Australians. You seem to think that penalty rates are a luxury for workers, but they're not. They put food on the table and fuel in the car and, indeed, also stimulate the economy. By the time your penalty rate cuts are fully implemented, some workers will be some $26,000 worse off. Workers will lose up to $2.9 billion. You give tax cuts on the one hand, but you take with the other hand. What kind of policy is that?

You have not properly costed the third round of cuts, for which we require some $95 billion over five years. Where, my friends on the other side of the chamber, is that money going to come from? Is it the education system, which has suffered a $14 billion cut not only from the government but from our current PM? It is the healthcare system, where rebates have been frozen for the last five years and there have been $2.6 billion in cuts to public hospitals? Is it pensions? Is it the government's lack of preparedness for Australia's ageing population? The government still needs to deal with the consequences of the aged care royal commission. Is it the government's lack of preparedness for Australia's population, when real growth in health spending will have to fall by some 0.7 per cent? In a decade's time, health, aged care and disability services alone are expected to cost $21 billion a year more. We already don't have this revenue.
In 2017 people aged 65 years and older made up some 15 per cent of the population. In 2023, some three years after the proposed introduction of these tax cuts, the lion's share of which will go to five per cent of the population, those aged 65 and over will make up 18 per cent of the population and will be seeking retirement and access to public health and aged-care services. How are you going to have enough taxpaying Australians to pay for an ageing population under these circumstances?

As I said before, the third stage of the tax cuts are skewed to the smallest and wealthiest tax bracket, giving those earning $180,000 to $200,000 around 4.54 per cent of their disposable income back. In the first stage of the tax cuts, those earning $45,000 to $90,000 a year stand to gain only 2.16 per cent of their disposable income back. Why are you giving the highest tax cuts to those who are least likely to spend them? How is that fair on all Australians?

In 2024 those in the top five per cent of the tax bracket, if they're earning $200,000, will be getting an extra $224 a week in tax cuts. As Senator Siewert pointed out, that's about the same as Newstart today. Newstart payments are stagnant. They have been $245 a week, which is less than the value of the minimum full-time wage, which hasn't been increased when inflation has been taken into account, for some 25 years. That's where Newstart is today.

Senators on the other side of this place—through you, Mr President—I call on you to see the dangerous economic times we're in, and, at the same time, see our capacity to support those most vulnerable in our society, who will suffer if we don't see the light on these issues. Those who don't earn enough to be taxed, arguably the most in need, are left completely in the dark on what you're doing with these tax cuts. Households earning $30,000 or less are 30 per cent of our population. The implementation of your plan will widen this gap even more greatly. Giving half of the tax cuts to the highest tax bracket won't boost our economy; that doesn't create jobs. We're on track, in the long term, to damage essential services to our country and widen the gap between the haves and have-nots in our nation. We're in a dangerous economic climate, and you seem to be behaving as a government that won't see sense. I cannot stress enough, colleagues, the importance of the job we have to do in this place today.

It's a good thing to act now, through these tax cuts, to stimulate the economy. We do have the lowest growth in 10 years. That has a real and tangible impact on hardworking Australians and their families. It is about supporting working people to put food on the table and fuel in the car. That's our job. We should be here in this parliament to stimulate the economy by giving more money back to hardworking Australians in tax cuts. But what we should not be doing now is locking in these stage 3 tax cuts, which this nation may not be able to afford in terms of its revenue and may not be able to afford in terms of the substantial impact on the services which Australians rely on us to provide.

I implore you to work with us. We've compromised. We've changed our position to support stage 2. You don't need to sell out to the crossbench on whatever deals they might be doing—please! You can actually act responsibly now and get stages 1 and 2 through by ruling out what's unsustainable today and what's unsustainable tomorrow in terms of those long-term tax cuts. Please, let's work together in this term of parliament to give all hardworking Australians a tax cut and stimulate an economy that so desperately needs it. Let's stop playing politics and let's give the economy the boost that it needs without setting it and Australians up for a fall in the future.
Senator WATERS (Queensland) (11:39): I rise to speak on the Treasury Laws Amendment (Tax Relief So Working Australians Keep More Of Their Money) Bill 2019, also known as the 'we bribed you, we scared you, we won and now we're going to give our rich mates a tax cut' bill. This is actually the biggest scam going: most of $158 billion of taxpayer money is going to the top 20 per cent of income earners, and, at the same time, we are reducing penalty rates, increasing the amount that people have to pay back sooner on their HECS debt and continuing to underfund the services that all Australians rely on.

We've got a massive problem with homelessness in this country. We've got women and children who are fleeing domestic violence being turned away from frontline services because the beds are full, but this government won't kick in enough money to build more beds. And yet somehow—somehow—they've found the money to give the top 20 per cent a massive tax cut. They claim this is for economic stimulus. Well, firstly, it's not for five years and, secondly, we know that the rich aren't going to spend the money. They don't need it; they've already got enough. If you want economic stimulus and you actually want to help people then let's give a low-income tax offset to people who don't have enough money in their bank account to meet their basic needs. Let's increase Newstart. It hasn't happened for 25 years and it is well below the poverty line. If you really want to help people ease their daily costs of living, why not provide free child care? We know it's great for the education of young ones. We know it frees up parents to return to the workforce. We know that's a job-creating measure and an investment in the nous and the brains of our whole country. Why not invest in free child care? Why not actually fix the housing crisis? There are 12½ thousand Queenslander, including children, who don't have a roof over their heads, and all you're offering is a minuscule tax cut. What's that going to do when they still don't have a home?

I'm disappointed to see that many of the crossbench are now supporting this, and I'm expecting that Labor will roll over, like they always do, and support this, despite some of the fairly mediocre, half-decent speeches they have just given. What an absolute crock! As I said, this is the biggest scam going. You guys just scared the electorate about the ghost of Bill Shorten and a made-up crack about death taxes, and now you're using $158 billion of taxpayer money to give massive tax cuts to your rich mates. I mean, well done! You've pulled it off. Credit to you, but Australia is going to suffer from this.

In Queensland, it's not the top 20 per cent that would get this tax cut; only 16 per cent of Queenslander would benefit from this stage 3 tax cut on the never-never. In regional Queensland it's 1.6 per cent. So what an absolute crock! We have people right around my state, and this country, that are crying out for free child care, for affordable TAFE and free uni, for a roof over their heads and for clean energy projects that can keep power bills down and tackle climate change. What a crock that they're barely going to see any of this tax cut. People want investment in services. That's what will ease their daily cost-of-living pressures. Instead, you're delivering tax cuts to your rich mates. Well, good on you for managing to pull this off.

I think it's an absolutely revolting outcome for this country, and I'm very saddened that the Greens, and possibly One Nation, are the only folk who are actually going to be opposing this when we get to the vote. We'll be moving an amendment to more than double that low-income tax offset, because we think that those folk do need money in their pockets—and they will spend it, because they cannot actually afford their basic living expenses at the moment.
You want economic stimulus? That's the way to do it. Rather than increasing the tax brackets, which will flow through to everyone and see rich people get even more perks that they do not need and that are not affordable when the economy is looking as precarious as it is, let's use those measures to actually help people to provide that stimulus, to create jobs, and, hey, why not actually help people in their daily lives?

If you want to fix the housing problem, don't just give the state Tasmanian Liberals a free pass on their own budget balls-up; actually invest in affordable housing. Now, you're going to cry poor because you've just wasted $158 billion, of which $95 billion goes to the top 20 per cent. What a crock! I look forward to your: 'Oh, we can't afford to fix homelessness. Oh, we can't afford to make sure women and children can get a bed when they're fleeing violence. We'd rather see them go back to possible death.' We've had 26 women killed already this year, and we know that services have to turn people away because they don't get enough funding. The Commonwealth has a role to play in that. That funding flows from the Commonwealth to the states and down to those frontline services. Except it's not flowing, because you guys are spending it on your rich mates instead. Well, shame on you!

We'll be voting against this, and we'll be moving amendments to increase the low-income tax offset. I call on the Labor Party: please, reconsider absolute your spinelessness in becoming 'Liberal lite' and waving this through the chamber. We may not have the numbers to stop this, but we should bloody well try. That's what we're here for. We're actually meant to be representing people, protecting their interests. You guys are meant to be an opposition. We're happy to do it if you're not going to, and we intend to do that today, but we hope to have some company.

Debate interrupted.

The PRESIDENT: I ask senators on our first day back, going into formal business and with debate, to please keep the use of parliamentary language in mind, at least for a little while.

MINISTERIAL STATEMENTS

Statement of Ministerial Standards

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (11:45): by leave—The Statement of Ministerial Standards is an important framework which provides transparency and ensures public trust in our system. The Prime Minister has written to the Secretary of the Department of the Prime Minister and Cabinet, Dr Parkinson, seeking his guidance on the application of the relevant Statement of Ministerial Standards to former ministers in all previous governments, including specifically on matters in relation to recent statements by two former ministers in our government. As part of this, he has sought advice on actions that can be taken to ensure compliance with the code. Additionally, as part of this advice, he has asked the secretary about the application of the provisions of the Foreign Influence Transparency Scheme Act 2018 to the activities of former ministers and elected representatives. We will provide further advice to the Senate in due course.
NOTICES

Presentation

Senator Ruston to move on the next day of sitting:

(1) That consideration of the business before the Senate on the following days be interrupted at approximately 5 pm, but not so as to interrupt a senator speaking, to enable senators to make their first speeches without any question before the chair, as follows:
   (a) Tuesday, 23 July 2019—Senators McDonald and Chandler;
   (b) Wednesday, 24 July 2019—Senators Bragg and Ciccone;
   (c) Tuesday, 30 July 2019—Senators Hughes and Ayres; and
   (d) Wednesday, 31 July 2019—Senators Sheldon and Green.
(2) On Tuesday, 30 July 2019, immediately after Senator Ayres' first speech, valedictory statements may be made relating to Senator Fifield.

Senator Hanson-Young to move on the next day of sitting:

That the following bill be introduced: A Bill to protect the Great Australian Bight from environmental damage resulting from mining activities and begin the process of World Heritage Listing the Great Australian Bight. Great Australian Bight Environment Protection Bill 2019. (general business notice of motion no. 31)

Senators McKim and Hanson-Young to move on the next day of sitting:

(1) That a select committee, to be known as the Select Committee into the Public's Right to Know and Press Freedom, be established to inquire into and report on the appropriate balance between the public's right to know, the freedom of the press and Australia's national security, with particular reference to:
   (a) disclosure and public reporting of sensitive and classified information, including the appropriate regime for warrants regarding journalists and media organisations and adequacy of existing legislation;
   (b) the whistleblower protection regime and protections for public sector employees;
   (c) the adequacy of referral practices of the Australian Government in relation to leaks of sensitive and classified information;
   (d) appropriate culture, practice and leadership for government and senior public employees;
   (e) mechanisms to ensure that the Australian Federal Police have sufficient independence to effectively and impartially carry out their investigatory and law enforcement responsibilities in relation to politically sensitive matters; and
   (f) any related matters.
(2) That the committee should provide an interim report by 19 September 2019 and a final report by 28 November 2019.
(3) That the committee consist of 8 senators, as follows:
   (a) 3 senators nominated by the Leader of the Government in the Senate;
   (b) 3 senators nominated by the Leader of the Opposition in the Senate;
   (c) 1 senator nominated by the Leader of the Australian Greens; and
   (d) 1 senator from Centre Alliance.
(4) That:
(a) participating members may be appointed to the committee on the nomination of the Leader of the Government in the Senate, the Leader of the Opposition in the Senate, or any minority party or independent senator; and

(b) participating members may participate in hearings of evidence and deliberations of the committee, and have all the rights of members of the committee, but may not vote on any questions before the committee.

(5) That 3 members of the committee constitute a quorum of the committee, provided that in a deliberative meeting the quorum shall include 1 Government member and 1 non-Government member.

(6) That every nomination of a member of the committee be notified in writing to the President of the Senate.

(7) That the members of the committee hold office as a select committee until the 46th Parliament is dissolved or expires by effluxion of time.

(8) That the committee may proceed to the dispatch of business notwithstanding that not all members have been duly nominated and appointed and notwithstanding any vacancy.

(9) That the committee elect as chair a member nominated by the Leader of the Opposition in the Senate, and as deputy chair a member nominated by the Leader of the Government in the Senate.

(10) That the deputy chair shall act chair when the chair is absent from a meeting of the committee or the position of chair is temporarily vacant.

(11) That, in the event of an equality of voting, the chair, or the deputy chair when acting as chair, has a casting vote.

(12) That the committee have power to appoint subcommittees consisting of 3 or more of its members, and to refer to any such subcommittee any of the matters which the committee is empowered to consider.

(13) That the committee and any subcommittee have power to send for and examine persons and documents, to move from place to place, to sit in public or in private, notwithstanding any prorogation of the Parliament, and have leave to report from time to time its proceedings and the evidence taken and such interim recommendations as it may deem fit.

(14) That the committee be provided with all necessary staff, facilities and resources and be empowered to appoint persons with specialist knowledge for the purposes of the committee with the approval of the President of the Senate.

(15) That the committee be empowered to print from day to day such papers and evidence as may be ordered by it, and a daily Hansard be published of such proceedings as take place in public.

(16) That the committee have power to adjourn from time to time and to sit during any adjournment of the Senate. (general business notice of motion no. 32)

Senator Roberts to move on the next day of sitting:

That the Senate calls on the Federal Government to approve urgently needed nation-building projects that will lower the costs of energy generation and deliver water security to the people of Australia. (general business notice of motion no. 33)

COMMITTEES

Selection of Bills Committee

Report

Senator DEAN SMITH (Western Australia—Chief Government Whip in the Senate) (11:46): I present the second report for 2019 of the Selection of Bills Committee and seek leave to have the report incorporated in Hansard.
Leave granted.

The report read as follows—

SELECTION OF BILLS COMMITTEE

Report no. 2 of 2019

1. The committee met in private session on Wednesday, 3 July 2019 at 7.33 pm.

2. The committee recommends that—

(a) contingent on restoration, the Coal-Fired Power Funding Prohibition Bill 2017 be referred immediately to the Environment and Communications Legislation Committee for inquiry and report by 2 December 2019 (see appendix 1 for a statement of reasons for referral);

(b) contingent on restoration, the Competition and Consumer Amendment (Prevention of Exploitation of Indigenous Cultural Expressions) Bill 2019 be referred immediately to the Environment and Communications Legislation Committee for inquiry and report by 5 December 2019 (see appendix 2 for a statement of reasons for referral);

(c) contingent on restoration, the Ministers of State (Checks for Security Purposes) Bill 2019 be referred immediately to the Finance and Public Administration Legislation Committee for inquiry and report by 11 November 2019 (see appendix 3 for a statement of reasons for referral);

(d) contingent on restoration, the Murray-Darling Basin Commission of Inquiry Bill 2019 be referred immediately to the Environment and Communications Legislation Committee for inquiry and report by 19 September 2019 (see appendix 4 for a statement of reasons for referral);

(e) contingent upon introduction in the House of Representatives, the provisions of the Criminal Code Amendment (Agricultural Protection) Bill 2019 be referred immediately to the Legal and Constitutional Affairs Legislation Committee for inquiry and report by 6 September 2019 (see appendix 5 for a statement of reasons for referral);

(f) contingent upon introduction in the House of Representatives, the provisions of the Customs Amendment (Immediate Destruction of Illicit Tobacco) Bill 2019 be referred immediately to the Legal and Constitutional Affairs Legislation Committee for inquiry and report by 19 July 2019 (see appendix 6 for a statement of reasons for referral);

(g) contingent upon introduction in the House of Representatives, the provisions of the Fair Work (Registered Organisations) Amendment (Ensuring Integrity) Bill 2019 be referred immediately to the Education and Employment Legislation Committee for inquiry and report by 25 October 2019 (see appendix 7 for a statement of reasons for referral);

(h) contingent upon introduction in the House of Representatives, the provisions of the Fair Work Laws Amendment (Proper Use of Work Benefits) Bill 2019 referred immediately to the Education and Employment Legislation Committee for inquiry and report by 25 October 2019 (see appendix 8 for a statement of reasons for referral);

(i) contingent upon introduction in the House of Representatives, the provisions of the Migration Amendment (Repairing Medical Transfers) Bill 2019 be referred immediately to the Legal and Constitutional Affairs Legislation Committee for inquiry and report by 18 October 2019 (see appendix 9 for a statement of reasons for referral);

(j) contingent upon introduction in the House of Representatives, the provisions of the Migration Amendment (Strengthening the Character Test) Bill 2019 be referred immediately to the Legal and Constitutional Affairs Legislation Committee for inquiry and report by 13 September 2019 (see appendix 10 for a statement of reasons for referral);

(k) contingent upon introduction in the House of Representatives, the provisions of the Migration Legislation Amendment (Regional Processing Cohort) Bill 2019 be referred immediately to the Legal
and Constitutional Affairs Legislation Committee for inquiry and report by 13 September 2019 (see appendix 11 for a statement of reasons for referral); and

(l) contingent upon introduction in the House of Representatives, the provisions of the Treasury Laws Amendment (Putting Members’ Interests First) Bill 2019 be referred immediately to the Economics Legislation Committee for inquiry and report by 18 October 2019 (see appendix 12 for a statement of reasons for referral).

3. The committee recommends that the following bills not be referred to committees:

- Australian Multicultural Bill 2018
- Australian Research Council Amendment (Ensuring Research Independence) Bill 2018
- Commonwealth Electoral Amendment (Lowering Voting Age and Increasing Voter Participation) Bill 2018
- Competition and Consumer Amendment (Truth in Labelling-Palm Oil) Bill 2017
- Environment and Infrastructure Legislation Amendment (Stop Adani) Bill 2017
- Freedom of Information Legislation Amendment (Improving Access and Transparency) Bill 2018
- Intelligence Services Amendment (Enhanced Parliamentary Oversight of Intelligence Agencies) Bill 2018
- Higher Education Support (Charges) Bill 2019
- Higher Education Support (Cost Recovery) Bill 2019
- Live Animal Export (Slaughter) Prohibition Bill 2019
- Water Amendment (Indigenous Authority Member) Bill 2019.

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

- Agriculture Legislation Repeal Bill 2019
- Air Services Amendment Bill 2018
- Australian Cannabis Agency Bill 2018
- Australian Institute of Health and Welfare Amendment (Assisted Reproduction Treatment Statistics) Bill 2019
- Australian Security Intelligence Organisation Amendment (Sunsetting of Special Powers Relating to Terrorism Offences) Bill 2019
- Australian Veterans’ Recognition (Putting Veterans and Their Families First) Bill 2019
- Broadcasting Services Amendment (Audio Description) Bill 2019
- Civil Aviation Amendment Bill 2019
- Constitution Alteration (Freedom of Expression and Freedom of the Press) 2019
- Constitution Alteration (Water Resources) 2019
- Counter-Terrorism (Temporary Exclusion Orders) Bill 2019
- Counter-Terrorism (Temporary Exclusion Orders) (Consequential Amendments) Bill 2019
- Crimes Legislation Amendment (Police Powers at Airports) Bill 2019
- Discrimination Free Schools Bill 2018
- Farm Household Support Amendment Bill 2019
- Galilee Basin (Coal Prohibition) Bill 2018
- Health Insurance Amendment (Bonded Medical Programs Reform) Bill 2019
Appendix 1

SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee

Name of bill:
Coal-Fired Power Funding Prohibition Bill

Reasons for referral/principal issues for consideration:
Soon the Government may announce projects they are underwriting as part of their program for new power generation and there is a risk it will include underwriting coal generation projects, exposing the Commonwealth and taxpayers to significant financial and climate risk.

Possible submissions or evidence from:
The Australia Institute, Investor Group on Climate Change, Beyond Zero Emissions

Committee to which bill is to be referred:
Environment and Communications Legislation Committee

Possible hearing date(s):
Possible reporting date:
2 December 2019

Dean Smith
Chair
4 July 2019
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill:
Competition and Consumer Amendment (Prevention of Exploitation of Indigenous Cultural Expressions) Bill 2019
Reasons for referral/principal issues for consideration:
To hear from relevant stakeholders about the impact of this Bill on their livelihoods and from experts in Arts Law.
Possible submissions or evidence from:
Committee to which bill is to be referred:
Environment and Communications
Possible hearing date(s):
September and October 2019
Possible reporting date:
5 December 2019
Appendix 3
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill:
Minister of State (Checks for Security Purposes) Bill 2019
Reasons for referral/principal issues for consideration:
Bills raises important question of security checks for ministers of state
Possible submissions or evidence from:
Department of Defence, Department of Prime Minister and Cabinet, Australian Federal Police, Attorney General’s Department, Australian Security Intelligence Organisation, Law Council of Australia
Committee to which bill is to be referred:
Finance and Public Administration
Possible hearing date(s):
As determined by the committee
Possible reporting date:
11 November 2019
Appendix 4
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill:
Murray-Darling Basin Commission of Inquiry Bill 2019
Reasons for referral/principal issues for consideration:
To hear from stakeholders about the issues they would like considered in a Commission of Inquiry and further hone the terms of reference.

**Possible submissions or evidence from:**

**Committee to which bill is to be referred:**
Environment and Communications

**Possible hearing date(s):**
August 2019

**Possible reporting date:**
September 19, 2019

**Appendix 5**

**SELECTION OF BILLS COMMITTEE**
Proposal to refer a bill to a committee

**Name of bill:**
Criminal Code Amendment (Agricultural Protection) Bill 2019

**Reasons for referral/principal issues for consideration:**
As with any legislation that makes conduct that has until now been lawful into a criminal offence, it is important to ensure that an appropriate balance is struck between the conduct being prohibited and the harm to be prevented, and that there are no unintended adverse consequences from the new laws. The Attorney-General said the new laws would include "appropriate exemptions for bona-fide journalists and for situations where the information being released shows a law being broken, such as whistleblowing on animal cruelty." Given widespread current concerns about the efficacy of whistleblower protections and recent examples of threats to the free press and to the public's right to know in this country, as well as the desire many Australians have to end illegal cruelty to animals, it is appropriate that this bill be referred to committee so that the prohibitions it introduces and adequacy of the exemptions it contains can be subject to public scrutiny input.

**Possible submissions or evidence from:**
Law Council of Australia, National Farmers Federation, Meat & Livestock Australia, RSPCA, Animals Australia

**Committee to which bill is to be referred:**
Legal and Constitutional Affairs Legislation Committee

**Possible hearing date(s):**
August

**Possible reporting date:**
Fri 6 September 2019

**SELECTION OF BILLS COMMITTEE**
Proposal to refer a bill to a committee

**Name of bill:**
Criminal Code Amendment (Agricultural Protection) Bill 2019

**Reasons for referral/principal issues for consideration:**
Human and digital rights concerns. Essentially anti-protest legislation, on top of the Privacy Amendment (Protection of Australian Farms) Regulations 2019 (Cth) (Protection of Australian Farms Regulations), which commenced on 6 April 2019.

Possible submissions or evidence from:
Legal and human rights experts and advocates such as The Law Council of Australia, Australian Lawyers for Human Rights, Australian Human Rights Commission, and Civil Liberties Australia.

Committee to which bill is to be referred:
Legal and Constitutional Affairs Legislation Committee

Possible hearing dates:
22-23 August 2019

Possible reporting date:
17 September 2019

Appendix 6
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill:
Customs Amendment (Immediate Destruction of Illicit Tobacco) Bill 2019

Reasons for referral/principal issues for consideration:
To inquire into the contents of the Bill and allow stakeholders to inform the Committee of detailed concerns.

Possible submissions or evidence from:
Various stakeholders

Committee to which bill is to be referred:
Legal and Constitutional Legislation Committee

Possible reporting date:
6 September 2011

Appendix 7
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill:
Fair Work (Registered Organisations) Amendment (Ensuring Integrity Bill) 2019

Reasons for referral/principal issues for consideration:
Complex issue. Workers need an opportunity to tell their stories / present their views. Engage with stakeholders.

Possible submissions or evidence from:
All Unions, any union members, other relevant stakeholders

Committee to which bill is to be referred:
Education and Employment Legislation Committee

Possible reporting date:
25 October 2019
Proposal to refer a bill to a committee

Name of bill:
Fair Work (Registered Organisations) Amendment (Ensuring Integrity) Bill 2019

Reasons for referral/principal issues for consideration:
The Bill is incompatible with International Labour Organisations (ILO) treaties and infringes on the rights of workers and their unions.

Possible submissions or evidence from:
Unions, Fair Work Commission, Fair Work Ombudsman

Committee to which bill is to be referred:
Education and Employment Legislation Committee

Appendix 8

Proposal to refer a bill to a committee

Name of bill:
Fair Work Laws Amendment (Proper Use of Workers Benefits) Bill 2019

Reasons for referral/principal issues for consideration:
Impacts on the ability of workers and their unions to collectively determine how to spend their money. Submissions in previous inquiry noted the bill contravened International Labour Organisations (ILO) treaties.

Possible submissions or evidence from:
Unions, Fair Work Commission Fair Work Ombudsman

Committee to which bill is to be referred:
Education and Employment Legislation Committee

Proposal to refer a bill to a committee

Name of bill:
Fair Work Laws Amendment (Proper Use of Worker Benefits) Bill 2019

Reasons for referral/principal issues for consideration:
Complex issue. Workers need an opportunity to tell their stories/present their views. Engage with stakeholders

Possible submissions or evidence from:
All Unions, Any union members, Other relevant stakeholders

Committee to which bill is to be referred:
Education & Employment Legislation Committee

Possible reporting date:
25 October 2019

Appendix 9

Proposal to refer a bill to a committee

Name of bill:
Migration Amendment (Repairing Medical Transfers) Bill 2019

**Reasons for referral/principal issues for consideration:**
Repeals the Medevac Legislation, which was an amendment, sponsored by Senators Storer and McKim, to the Home Affairs Legislation Amendment (Miscellaneous Measures) Bill 2018, and passed with the support of Centre Alliance, the Australian Labor Party and the Greens, independent Banks, McGowan, Phelps, and Wilkie in the House, and independent Hinch in the Senate.

**Possible submissions or evidence from:**
Refugee and medical experts and advocates such as The Law Council of Australia, the Human Rights Law Centre, the Refugee Council, the Kaldor Centre, and the Royal Australasian College of Physicians.

**Committee to which bill is to be referred:**
Legal and Constitutional Affairs Legislation Committee

**Possible hearing date(s):**
28-30 August 2019

**Possible reporting date:**
19 September 2019

**SELECTION OF BILLS COMMITTEE**

Proposal to refer a bill to a committee

**Name of bill:**
Migration Amendment (Repairing Medical Transfers) Bill 2019

**Reasons for referral/principal issues for consideration:**
To inquire into the contents of the Bill and allow stakeholders to inform the Committee of detailed concerns.

**Possible submissions or evidence from:**
Refugee, legal, civil society, national security and other stakeholders

**Committee to which bill is to be referred:**
Legal and Constitutional Legislation Committee

**Possible reporting date:**
18 October 2019

**Appendix 10**

**SELECTION OF BILLS COMMITTEE**

Proposal to refer a bill to a committee

**Name of bill:**
Migration Amendment (Strengthening the Character Test) Bills 2019

**Reasons for referral/principal issues for consideration:**
To inquire into the contents of the Bill and allow stakeholders to inform the Committee of detailed concerns.

**Possible submissions or evidence from:**
Refugee, legal, civil society, national security and other stakeholders

**Committee to which bill is to be referred:**
Legal and Constitutional Legislation Committee
Possible reporting date:
18 October 2019

SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill:
Migration Amendment (Strengthening the Character Test) Bills 2019

Reasons for referral/principal issues for consideration:
This will lower an already low bar for refusing or cancelling the visas of non-citizens, for reasons such as sharing intimate images, verbally threatening someone, associating with members of a gang, or holding a rock in a threatening way.

Possible submissions or evidence from:
Legal and human rights experts and advocates such as the Law Council of Australia, Human Rights Law Centre, Civil Liberties Australia, Kaldor Centre for International Refugee Law, Refugee Advice and Casework Service, Immigration and Advice and Rights Centre, and Refugee and Immigration Legal Service.

Committee to which bill is to be referred:
Legal and Constitutional Affairs Legislation Committee

Possible hearing date(s):
25-27 September 2019

Possible reporting date:
17 October 2019

Appendix 11

SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill:
Migration Legislation Amendment (Regional Processing Cohort) Bill 2019 [otherwise known as the lifetime visa ban bill]

Reasons for referral/principal issues for consideration:
Human rights laws and obligations.

Possible submissions or evidence from:
Legal and human rights experts and advocates such as the Law Council of Australia, Human Rights Law Centre, Civil Liberties Australia, Kaldor Centre for International Refugee Law, Refugee Advice and Casework Service, Immigration and Advice and Rights Centre, and Refugee and Immigration Legal Service.

Committee to which bill is to be referred:
Legal and Constitutional Affairs Legislation Committee

Possible hearing date(s):
9-11 October 2019

Possible reporting date:
25 November 2019

SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill:
Migration Legislation Amendment (Regional Processing Cohort) Bill 2019

Reasons for referral/principal issues for consideration:
To inquire into the contents of the Bill and allow stakeholders to inform the Committee of detailed concerns.

Possible submissions or evidence from:
Refugee, legal, civil society, national security and other stakeholders

Committee to which bill is to be referred:
Legal and Constitutional Legislation Committee

Possible reporting date:
18 October 2019

Appendix 12
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill:
Treasury Laws Amendment (Putting Members’ Interests First) Bill 2019

Reasons for referral/principal issues for consideration:
To understand the impact of the level of insurance taken out by affected superannuation members. To examine the interaction between this Bill and the recommendation of the Royal Commission to establish universal terms and conditions for insurance through default superannuation and the proposed Product Commission inquiry into insurance through default superannuation.

Possible submissions or evidence from:
Economists, Superannuation funds, Trade unions

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

Possible hearing date(s):
Weeks starting 8 July 2019 and 15 July 2019

Possible reporting date:
22 July 2019

SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill:
Treasury Laws Amendment (Putting Members’ Interests First) Bill 2019

Reasons for referral/principal issues for consideration:
To enquire into the contents of the Bill and allow stakeholders to inform the Committee of detailed concerns

Possible submissions or evidence from:
Unions, Industry Groups (Financial Services), other stakeholders

Committee to which the bill is to be referred:
Economics Legislation Committee
Possible hearing date(s):
For Committee to determine

Possible reporting date:
18 October 2019

Appendix 13

SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee

Name of bill:
Treasury Laws Amendment (Tax Relief So Working Australians Keep More Of Their Money) Bill 2019

Reasons for referral/principal issues for consideration:
To understand the impact of the proposed changes to the personal income tax system on the Australian economy, including economic growth, inflation, wages, productivity and aggregate demand.

Possible submissions or evidence from:
Economists, Civil society, Trade unions, Business groups, Financial regulators

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

Possible hearing date(s):
Weeks starting 8 July 2019, and 15 July 2019.

Possible reporting date:
22 July 2019

Senator DEAN SMITH: I move:
That the report be adopted.
Question agreed to.

BUSINESS

Leave of Absence

Senator URQUHART (Tasmania—Opposition Whip in the Senate) (11:47): by leave—I move:
That leave of absence be granted to senators, as follows:
(a) Senator Polley from 2 July to 1 August 2019, for personal reasons; and
(b) Senator Sterle for 3 July 2019, for personal reasons.
Question agreed to.

COMMITTEES

Intelligence and Security Joint Committee
Meeting

Senator DEAN SMITH (Western Australia—Chief Government Whip in the Senate) (11:47): by leave—On behalf of the Parliamentary Joint Committee on Intelligence and Security I move:
That the committee be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate today, from midday.

Question agreed to.

COMMITTEES

Membership

The PRESIDENT (11:48): On Tuesday, 2 July, I informed the Senate that there were two nominations for one position in relation to a number of committees and that ballots would need to be held to determine which senator was to be appointed to each committee. I can now inform the Senate that I have been duly notified that an agreement had been reached between the parties and ballots will no longer be necessary. I have received further letters requesting changes in the membership of committees.

Senator DUNIAM (Tasmania—Assistant Minister for Forestry and Fisheries and Assistant Minister for Regional Tourism) (11:48): by leave—I move:

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

Australian Commission for Law Enforcement Integrity—Joint Statutory Committee—
Appointed—Senators Ayres and Bilyk

Broadcasting of Parliamentary Proceedings—Joint Statutory Committee—
Appointed—Senator Farrell

Corporations and Financial Services—Joint Statutory Committee—
Appointed—Senators O'Neill and Pratt

Environment and Communications Legislation Committee—
Appointed—
Senators Rice, Marielle Smith and Urquhart
Participating members: Senators Ayres, Bilyk, Brown, Carr, Chisholm, Ciccone, Dodson, Farrell, Gallagher, Gallagher, Green, Keneally, Kitching, Lines, McAllister, McCarthy, O'Neill, Polley, Pratt, Roberts, Sheldon, Sterle, Walsh, Watt and Wong

Environment and Communications References Committee—
Appointed—
Senators Green, Rice, Marielle Smith and Urquhart
Participating members: Senators Ayres, Bilyk, Brown, Carr, Chisholm, Ciccone, Dodson, Farrell, Gallagher, Gallagher, Keneally, Kitching, Lines, McAllister, McCarthy, O'Neill, Polley, Pratt, Roberts, Sheldon, Sterle, Walsh, Watt and Wong

Finance and Public Administration Legislation and References Committees—
Appointed—
Senator Roberts
Participating member: Senator Siewert

Human Rights—Joint Statutory Committee—
Appointed—Senators Dodson and Green

Law Enforcement—Joint Statutory Committee—
Appointed—Senators Lines and Polley

Legal and Constitutional Affairs Legislation Committee—
Appointed—Senator Chisholm
Discharged—Participating member: Senator Chisholm
Legal and Constitutional Affairs References Committee—
Appointed—Senators Chisholm and Green
Discharged—Participating members: Senators Chisholm and Green
Privileges—Standing Committee—
Appointed—Senators Carr and Farrell
Public Accounts and Audit—Joint Statutory Committee—
Appointed—Senators Kitching and Walsh
Public Works—Joint Statutory Committee—
Appointed—Senator Gallacher
Rural and Regional Affairs and Transport Legislation and References Committees—
Appointed—
Senator Rice
Question agreed to.

NOTICES
Postponement

Senator PATRICK (South Australia) (11:49): Noting Senator Cormann's statement in relation to the ministerial standards, I seek leave to postpone business of the Senate notice of motion No. 1, standing in my name for today, until the next sitting day.
Leave granted.

The PRESIDENT: Because we don't have a hard marker at 12.45, unless anyone objects I plan to proceed through motions in a way that facilitates the business of the chamber. So I'll now go to government business motion No. 2, standing in the name of Senator Ruston.

COMMITTEES

Allocation of Departments and Agencies

Senator DUNIAM (Tasmania—Assistant Minister for Forestry and Fisheries and Assistant Minister for Regional Tourism) (11:49): At the request of Senator Ruston, I move government business notice of motion No. 2:
That departments and agencies be allocated to legislative and general purpose standing committees as follows:
Community Affairs
   Health
   Social Services, including Services Australia
Economics
   Industry, Innovation and Science
   Treasury
Education and Employment
   Education
Senator WONG (South Australia—Leader of the Opposition in the Senate) (11:50): I seek leave to move an amendment to the motion moved by Senator Duniam.

Leave granted.

Senator WONG: I move:

(a) after "Employment, Skills, Small and Family Business", add ", including Industrial Relations";

and

(b) omit "Attorney-General, including Industrial Relations" and substitute "Attorney-General, excluding Industrial Relations".

The PRESIDENT: The question is that the amendment moved by Senator Wong be agreed to.

Question agreed to.

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

Question agreed to.

BUSINESS

Days and Hours of Meeting

Senator DUNIAM (Tasmania—Assistant Minister for Forestry and Fisheries and Assistant Minister for Regional Tourism) (11:50): At the request of Senator Ruston, I move:

That the days of meeting of the Senate for the remainder of 2019 be as follows:

Winter sittings:

Monday, 22 July to Thursday, 25 July

Monday, 29 July to Thursday, 1 August
Spring sittings:
Monday, 9 September to Thursday, 12 September
Monday, 16 September to Thursday, 19 September
Monday, 14 October to Thursday, 17 October
Monday, 11 November to Thursday, 14 November
Monday, 25 November to Thursday, 28 November
Monday, 2 December to Thursday, 5 December.

Question agreed to.

BUDGET
Consideration by Estimates Committees

Senator DUNIAM (Tasmania—Assistant Minister for Forestry and Fisheries and Assistant Minister for Regional Tourism) (11:51): At the request of Senator Ruston, I move:

(1) That the 2019-20 supplementary Budget estimates hearings be scheduled as follows:
Monday, 21 October and Tuesday, 22 October 2019 (supplementary hearings—Group A)
Wednesday, 23 October and Thursday, 24 October 2019 (supplementary hearings—Group B).

(2) That cross portfolio estimates hearings on Indigenous matters and on Murray-Darling Basin Plan matters be scheduled for Friday, 25 October 2019, but not restricted to that day.

(3) That the committees consider the proposed expenditure in accordance with the allocation of departments and agencies to committees agreed to by the Senate.

(4) That committees meet in the following groups:

Group A:
Environment and Communications
Finance and Public Administration
Legal and Constitutional Affairs
Rural and Regional Affairs and Transport

Group B:
Community Affairs
Economics
Education and Employment
Foreign Affairs, Defence and Trade.

Question agreed to.

BUSINESS

Senate Temporary Orders

Senator DUNIAM (Tasmania—Assistant Minister for Forestry and Fisheries and Assistant Minister for Regional Tourism) (11:51): At the request of Senator Ruston, I move:

That, in accordance with the recommendation in the Procedure Committee's first report of 2019, the temporary order prohibiting debate on suspension of standing order motions connected to formal business, that was in effect at the end of the 45th Parliament, be adopted as a continuing order.

Question agreed to.
BILLS

Health Insurance Amendment (Bonded Medical Programs Reform) Bill 2019
Road Vehicle Standards Legislation Amendment Bill 2019
Civil Aviation Amendment Bill 2019

First Reading

Senator DUNIAM (Tasmania—Assistant Minister for Forestry and Fisheries and Assistant Minister for Regional Tourism) (11:52): by leave—At the request of Senators Cash and McKenzie, I move:

That the following bills be introduced:
A Bill for an Act to amend the Health Insurance Act 1973, and for related purposes.
A Bill for an Act to amend the Road Vehicle Standards Act 2018, and for related purposes.
A Bill for an Act to amend the law relating to civil aviation, and for related purposes.

Question agreed to.

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

Question agreed to.

Bills read a first time.

Second Reading

Senator DUNIAM (Tasmania—Assistant Minister for Forestry and Fisheries and Assistant Minister for Regional Tourism) (11:53): I table the explanatory memoranda relating to the bills and move:

That these bills be now read a second time.

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

Leave granted.

The speech read as follows—

HEALTH INSURANCE AMENDMENT (BONDED MEDICAL PROGRAMS REFORM) BILL 2019

Australia has one of the best health systems in the world. However, it is under intense pressure from an ageing population, increasing chronic disease, spiralling health costs, technological change and rising consumer expectations.

It is critical for the Australian Government to tackle these pressures head-on by reforming key parts of the system to build a long term national health plan.

Essential to the success of a long term health plan is ensuring Australia has the health workforce to deliver it – the right people with the right mix of skills, providing quality services at the right time, right around the country.

The 2018-19 Federal Budget committed $550 million to the Government's Stronger Rural Health Strategy. The Strategy will improve the health of people living in regional, rural and remote Australia through better training, recruitment and retention of the health workforce.
The Health Insurance Amendment (Bonded Medical Programs Reform) Bill, 2019 is one of the targeted, strategic responses under the Stronger Rural Health Strategy which responds to the challenge of ensuring primary health care is accessible and available to all Australians, no matter where they live.

Under the Strategy, a total of $20.2 million was committed to reform the Bonded Medical Programs.

The Bonded Medical Programs are a long term investment in the health workforce by the Australian Government. These programs were introduced in 2001 as the Medical Rural Bonded Scholarship (MRBS) Scheme and was expanded to include the Bonded Medical Places Scheme (BMP) Scheme in 2004.

These schemes are designed to address the doctor shortage across regional, rural and remote Australia and in areas of workforce shortage. Participants receive a place in a medical course at an Australian university in return for commitment to work in underserviced areas.

This commitment to work in underserviced areas is referred to as a return of service obligation. Under current arrangements, the return of service obligation can be as much as six (6) years of continuous service in regional, rural and remote areas and in areas of workforce shortage after attaining qualifications as a specialist medical practitioner.

Each year, Government provides up to 850 bonded Commonwealth supported places in Australian medical courses. As the program matures, increasing numbers of doctors are due to commence their return of service. Up to 700 doctors are expected to commence their return of service each year over the next five (5) to seven (7) years.

Today, a total of 10,029 participants are actively participating in the Bonded Medical Programs. 9,406 participants are completing their medical degree or training, and a further 623 are undertaking their return of service obligation by working in regional, rural or remote locations including areas of workforce shortage.

It can take up to 22 years for a bonded doctor from a first year medical student to complete their obligations to the Australian public under the Bonded Medical Programs. I commend and acknowledge the significant impact this valued sector of the medical workforce is starting to have on reducing the gaps in medical services outside metropolitan areas.

This Bill is a part of broader reforms to the Bonded Medical Programs. Reforms will create a modern, flexible administrative system with greater capacity for the program to support and target vocationally recognised, Australian trained doctors to work and stay in regional, rural and remote areas.

It will enable participants to enter or if already an existing participant to opt in to a statutory scheme without the need for individual contracts. It will make it significantly easier for bonded doctors to complete their return of service obligation by reducing and streamlining administrative requirements, giving more options as to when, where and how it can be completed; and providing earlier and stronger links with key professional support agencies for doctors.

These improvements will encourage doctors to stay working in the place where they are undertaking their return of service obligation beyond their obligations. These improvements will help ensure more fully qualified Australian trained doctors working in regional, rural and remote Australia and in areas of workforce shortage. More importantly, the reforms will also better target the future bonded workforce to locations of need as demographic and workforce demands change over time.

The Bill introduces a statutory scheme, known as the Bonded Medical Programs, to come into effect from 1 January 2020. The statutory regulatory scheme consolidates the existing BMP and MRBS schemes under a single legislative framework to progress Government’s long term view to move towards a single bonded medical scheme. The statutory scheme is clearer about the conditions The statutory scheme is clearer about the conditions applied under the program and provides greater flexibility for participants to complete their return of service obligation.
Participants of the statutory scheme continue to have right of internal review and now will be able to seek review of administrative decisions through the Administrative Appeals Tribunal. From 1 January 2020, new participants will enter the program under the new statutory scheme and existing participants will be able to opt in.

Existing administrative arrangements are significantly onerous and outdated with the different contractual provisions both within and across existing schemes. Contractual arrangements are complex and unwieldy to administer and are unable to be modernised efficiently and effectively to ensure the program responds to the Government's future workforce needs and offers modern and flexible arrangements needed to support the future rural medical workforce.

The statutory arrangements will eventually replace the myriad of complex and contractual arrangements currently in place with individual participants. Statutory provisions will ensure that existing participants and future participants have access to the same suite of options and opportunities going forward.

Managing obligations over a 20 year period can be frustrating and time and resource intensive. The statutory scheme will enable participants to flexibly 'self-manage' these obligations through a program specific web-portal and phone application. Participants, no matter where they are will be able to log on and update their information and be able to plan, track and record their return of service obligation.

The statutory scheme will enable collection of data for reporting and effective evaluation of the programs. At this stage it is too early to evaluate the program's success. However, it is critical that the Government, the medical profession and the Australian public have access to robust evaluation of the program outcomes to inform policy decisions into the future.

It is the Government's long term view to rationalise the Bonded Medical Program to a single bonded medical scheme once all existing schemes have expired. It is envisaged this will occur around 2035 when all participants under the existing schemes have either completed their obligations under the program or have chosen to opt in to the new statutory scheme.

The Government is committed to implementing progressive and responsive administrative arrangements which support both current and future bonded doctors keen to make a substantial contribution to better access to medical services across Australia.

ROAD VEHICLE STANDARDS LEGISLATION AMENDMENT BILL 2019

The Road Vehicle Standards Legislation Amendment Bill 2019 will postpone the full commencement of the Road Vehicle Standards Act 2018 and Road Vehicle Standards (Consequential and Transitional Provisions) Act 2018. Full commencement will be postponed until a date that will be agreed with industry stakeholders, but no later than 1 July 2021.

The Bill will provide more time for the Government, and for manufacturers, importers and in-service regulators of vehicles to prepare to transition to the new arrangements under the Road Vehicle Standards legislation, which replaces the Motor Vehicle Standards Act 1989.

The Road Vehicle Standards legislation is the most important and extensive set of changes to the Government's regulation of road vehicles in almost three decades. The reforms affect every aspect of existing practice. More time is needed for all affected parties to ensure the smooth implementation of the reforms and avoid needless disadvantage to Australian businesses in transitioning to the new legislative arrangements.

Postponing the full commencement of the Road Vehicle Standards legislation will give stakeholders the opportunity to become familiar with their obligations under the new legislation. It will also allow them to engage in detailed planning with the Government and properly sequence required changes to business processes to maximise the benefits available to them, once the substantive provisions of the legislation commence.
The Government will use the additional time and flexibility to set a commencement date up to 1 July 2021, to continue engaging with stakeholders through established consultation arrangements and to coordinate readiness across Commonwealth, state and territory governments. This will ensure the timing for commencement of the legislation is right and will make the transition to the Road Vehicle Standards legislation as smooth as possible.

The Road Vehicle Standards legislation will provide a strengthened and modernised framework for the regulation of road vehicles in Australia. It will maintain and improve vehicle safety, provide more choice for specialist and enthusiast vehicles and be responsive to emerging technologies. The Government remains committed to implementing these important reforms, and the postponement of the commencement of these reforms is crucial to this implementation.

CIVIL AVIATION AMENDMENT BILL 2019

Australian aviation is an essential part of our economy. It links our regions to our cities, and our cities to the world.

A strong aviation industry requires continuous improvement in the regulatory system which governs it. While Australia has an enviable record in aviation safety — built on a modern regulatory framework — any regulator must continue to keep pace with the industry it regulates.

Some sectors of the general aviation industry are seeking assurance that CASA takes into consideration the economic and cost impacts on industry, and the relative risk environment in the different aviation sectors, when developing broadly applicable aviation safety standards.

The Australian Government is very conscious of the challenges faced by small business in Australia and the need to remove unnecessary costs and regulatory burden.

We are committed to aviation safety being the most important consideration in safety regulation and recognise that CASA must be allowed to ensure aviation in Australia is safe and reliable.

Costs and risks are both carefully weighed by CASA when it develops aviation safety standards. The requirements behind this process are spelt out in the Government's Statement of Expectations issued to the CASA board.

Today I introduce into the Parliament a Bill that incorporates those guiding principles from the Government's Statement of Expectations into the Civil Aviation Act 1988.

The Civil Aviation Amendment Bill – "the Bill" – is in direct response to the concerns raised by the general aviation industry.

The Bill will allow the Government to ensure CASA continues to consider the economic and cost impact on individuals, businesses and the community. It will take into account the differing risks posed by those sectors when developing and promulgating legislative aviation safety standards.

It is important we continue to support an aviation industry that is dynamic and sustainable, with a regulatory system that is responsive and proportionate to risks. The Government seeks a level of regulation that maintains the safety of the system without unreasonably restricting innovation and growth.

I commend the Bill.

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

Ordered that the bills be listed on the Notice Paper as separate orders of the day.
Australian Veterans' Recognition (Putting Veterans and Their Families First) Bill 2019

First Reading

Senator REYNOLDS (Western Australia—Minister for Defence) (11:54): I move:

That the following bill be introduced: A Bill for an Act to provide for the recognition of veterans, and for related purposes.

Question agreed to.

Senator REYNOLDS: I present the bill and move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator REYNOLDS (Western Australia—Minister for Defence) (11:54): 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—

I am pleased to introduce the Australian Veterans' Recognition (Putting Veterans and their Families First) Bill 2019. This Bill will acknowledge and give thanks to veterans and their families for making the sacrifices they have made while serving in the Australian Defence Force.

I recognise that the Australian people value our Military and those who have committed to defending our nation, and of course, as a Government we are absolutely committed to putting veterans and their families first.

The introduction of this Bill sees the realisation of an Australian Defence Veterans’ Covenant where everyone can acknowledge, support and pay respect to all who have served in the Australian Army, Royal Australian Navy and Royal Australian Air Force. Australia has a proud military history and the Covenant will enable Australians from all walks of life to pay homage to this.

The Australian Defence Veterans’ Covenant will be enshrined into legislation, providing an opportunity for the nation to recognise the service and sacrifice of all who have committed to defend the nation, and pledge their commitment to support veterans and their families.

The Bill also provides for acknowledgement of the demands and challenges that a veteran or their family may experience during and after military service. For these sacrifices, we acknowledge that additional support may be required and where support is required it will be provided in a way that is appropriate and sensitive to their individual circumstances and in a way that elevates their self-esteem.

Along with the Covenant a veteran card and lapel pin will be released – those who have an eligibility for a medical treatment card will receive a veteran card. The lapel pin, for veterans will provide a way for the Australian community and businesses to recognise a veteran and for veterans to reconnect with one another.

The Bill also includes a statement in relation to the beneficial nature of veteran legislation to provide further support to the principles of statutory interpretation that determinations are to be made fairly, justly, consistent with legislation and similar type claims, and in a timely manner so that the public may trust and have confidence in the determinations made.
I commend this Bill.

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

**National Disability Insurance Scheme Amendment (Worker Screening Database) Bill 2019**

**National Rental Affordability Scheme Amendment Bill 2019**

First Reading

**Senator DUNIAM** (Tasmania—Assistant Minister for Forestry and Fisheries and Assistant Minister for Regional Tourism) (11:55): At the request of Senator Ruston, I move:

That the following bills be introduced:

A Bill for an Act to amend the *National Disability Insurance Scheme Act 2013*, and for related purposes.

A Bill for an Act to amend the law relating to rental affordability, and for related purposes.

Question agreed to.

**Senator DUNIAM**: I present the bills and move:

That these bills may proceed without formalities, may be taken together and be now read a first time.

Question agreed to.

Bills read a first time.

Second Reading

**Senator DUNIAM** (Tasmania—Assistant Minister for Forestry and Fisheries and Assistant Minister for Regional Tourism) (11:56): I present the explanatory memoranda relating to the bills and move:

That these bills be now read a second time.

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

Leave granted.

*The speeches read as follows—*

**NATIONAL DISABILITY INSURANCE SCHEME AMENDMENT (WORKER SCREENING DATABASE) BILL 2019**

This Bill establishes the National Disability Insurance Scheme Worker Screening Database to support a nationally consistent approach to screening people who work with people with disability in the NDIS.

This Bill aims to protect and prevent people with disability from experiencing harm from the people who work closely with them.

The NDIS is one of the largest social and economic policy reforms in Australian history. It is transforming the lives of people with disability across the country.

March 2019 marked a major milestone in the NDIS: nearly 280,000 Australians are now receiving support through the scheme. This number will continue to grow as we progress the national roll out – to almost half a million Australians with disability over the next five years.

This Government is committed to ensuring the safety and wellbeing of all NDIS participants. In December 2016, the Council of Australian Governments (COAG) endorsed the NDIS Quality and Safeguarding Framework. The Framework is the result of over three years of consultation with people
with disability, carers and providers. It sets out a new approach to regulation for the NDIS to protect NDIS participants.

A key part of the Framework is the implementation of nationally consistent NDIS worker screening. Worker screening is a way to check that people who are working, or seek to work, in the NDIS do not pose an unacceptable risk of harm to people with disability.

Current worker screening arrangements for disability workers are state-based and of variable quality. Clearances are not recognised across jurisdictions. A national NDIS Worker Screening Check is a major step forward from the variable arrangements operating in each state and territory.

Nationally consistent NDIS worker screening will help create a safe and trusted workforce in the NDIS, and minimise the risk of harm to people with disability. This Bill is integral for the implementation of the NDIS Screening Check.

Nationally consistent NDIS worker screening is a joint effort from all Australian governments. We have agreed to the Intergovernmental Agreement on Nationally Consistent Worker Screening for the NDIS. The Intergovernmental Agreement sets out the responsibilities of states and territories and the Commonwealth.

States and territories (except Western Australia) will commence transitioning to nationally consistent NDIS Worker Screening on 1 July 2019. The new NDIS Worker Screening Check—simply referred to as the ‘Check’—will be introduced in each state and territory over the next year, with all states and territories having the Check in place by July 2020.

Until the Check becomes available in a jurisdiction, transitional arrangements provide recognition of current state-based checks, such as Working with Children or Vulnerable Persons Checks. From 1 July 2019, existing workers with a current state-based check will be able to continue to work and new workers will need to apply for a recognised screening check in their state or territory. Once the NDIS Check is operational, state-based checks for existing workers will continue to be recognised until they expire; at which time a worker will need to apply for the new Check. New workers would also need to apply for the NDIS Check once it is available. The outcomes of the NDIS Check will be stored on the national database to be established by this Bill. This approach will provide for a gradual transition to the new system.

Through this Bill, the Morrison Government is delivering on our responsibilities under the Intergovernmental Agreement. We are getting on with the job of ensuring that participants, their families and carers can be satisfied with the quality of services they receive and feel comfortable that necessary protections are in place to ensure their safety.

To support the quality agenda, the Government has taken strong, decisive action by establishing an independent, national body—the NDIS Quality and Safeguards Commission—to protect and prevent people with disability from experiencing harm. The Government has committed $209 million over four years to support the work of the NDIS Commission.

The Bill will enable the NDIS Commission to establish and maintain a national database for information about NDIS worker screening. This will provide timely and accurate information for employers and self-managed participants about NDIS workers’ clearance status.

The NDIS Commission commenced operations in New South Wales and South Australia on 1 July 2018. By July 2020, the NDIS Commission will be operational in all states and territories. As an independent statutory body with integrated functions and a range of investigative, compliance and enforcement powers, the NDIS Commission is a responsive regulator that takes a proportionate approach to regulation—reserving the strongest enforcement actions for the most serious issues and breaches.
The NDIS Commission is responsible for registering NDIS providers, responding to complaints, managing reportable incidents notifications, and providing leadership to reduce and eliminate the use of restrictive practices in the NDIS.

The NDIS Commission will also lead the overall design for nationally consistent NDIS worker screening. This aligns with its responsibility to work with all governments and oversee the broad policy settings for nationally consistent NDIS worker screening, and recognises that the NDIS Commission is the national point of contact for NDIS providers.

This national leadership and consistency provides many benefits, but the NDIS Commission does not act alone—worker screening is a joint effort. All states and territories have been consulted on the content of the Bill and are supportive.

The NDIS Act currently provides for the screening of workers through the registration requirements for registered NDIS providers and the National Disability Insurance Scheme (Practice Standards – Worker Screening) Rules 2018. When the new NDIS Check is fully implemented, these screening arrangements will be implemented by State and Territory worker screening units within a nationally consistent framework.

We know from our consultations that stakeholders have consistently supported this approach. They want to see a robust, risk-based worker screening check in the disability sector that is portable across jurisdictions.

Worker screening checks will be mandatory for some NDIS workers. Those who have more than incidental contact with a person with disability, and work with a registered NDIS provider, must have a clearance. Worker screening will not be mandatory for workers with only incidental contact with participants.

As part of the NDIS Worker Screening Check, worker screening units based in each state and territory will consider applicants' criminal history information, any relevant disciplinary and misconduct information, and information taken from the NDIS Commission’s complaints and reportable incidents system.

Under this Bill, the database will store information about NDIS workers who have applied for an NDIS Worker Screening Check, the status of their application, and decisions by the NDIS worker screening unit about their Check, including whether the worker was issued a clearance or an exclusion.

This means that NDIS worker clearances will be portable across jurisdictions and employers, including self-managed participants—reducing duplication and complexity for workers and providers moving between, or operating across, jurisdictions. Similarly, a worker who has been excluded by one state or territory will be excluded nationally. This represents a major step forward from the existing fragmented arrangements operating in each state and territory.

The database will also include information about a person's employer, including if this is a self-managed participant. This will ensure that employers are appropriately informed if a worker they have engaged has had their clearance suspended or revoked, or if their clearance expires.

The Bill provides for the Minister to determine additional information to be included in the database through a legislative instrument. This provides flexibility to be responsive to future circumstances and is appropriate to accommodate the introduction of a new policy. For example, if there is a new application status required in future that is not currently envisaged by the Bill, the Minister may provide for this to be captured in the database.

The protection of people with disability from violence, abuse, neglect and exploitation is a key priority for all Australian governments. A national approach, as enabled by the database to be established under this Bill, eliminates the opportunity for people to make multiple attempts at gaining a worker screening clearance. It prevents people with adverse records in one state or territory from attempting to gain a clearance to work in the NDIS in another.
The database will provide employers with an important tool for their recruitment, selection and screening processes and help with their responsibility to ensure people chosen to work in the NDIS are safe to work with people with disability. It also provides self-managed NDIS participants and their families with important information to help them make informed choices about workers providing their supports. Employers and self-managed participants will be able to use the database established under this Bill to verify that workers hold a clearance.

Importantly, nationally consistent worker screening will deter predatory individuals from seeking work in this sector. Participants and their families can be assured that workers with clearances have been assessed as not posing an unacceptable risk of harm to people with disability.

The database provides for the ongoing monitoring of clearance holders’ criminal history information. Ongoing monitoring provides certainty that unsuitable individuals will not remain in the sector if they do the wrong thing.

Information in the database will be protected NDIS Commission information and will only be shared and used for the NDIS Commission’s legislated functions and other purposes of the NDIS Act. Penalties apply for misuse or unauthorised disclosure.

The Australian Government is committed to a high-quality, sustainable NDIS. Ensuring people with disability, their families and carers, and NDIS providers know that workers have a clearance is an important part of having a trusted workforce. The database will provide timely, accurate access to this information for employers and self-managed NDIS participants, ensuring they can make an informed judgment about who should work with people with disability.

Our paramount consideration is the right of people with disability to live free from abuse, violence, neglect and exploitation. The Morrison Government is committed to meeting this objective and ensuring people with disability are not exposed to harm from those who are there to support them. This Bill is a major step forward in implementing nationally consistent NDIS worker screening.

**NATIONAL RENTAL AFFORDABILITY SCHEME AMENDMENT BILL 2019**

**Introduction**

The National Rental Affordability Scheme Amendment Bill 2019 (the Bill) contributes to the Australian Government’s Comprehensive Plan to Address Housing Affordability, announced in the 2017-18 Budget. The Bill makes amendments to the National Rental Affordability Scheme Act 2008 (NRAS Act), to streamline and simplify the administration of the National Rental Affordability Scheme (NRAS) until it ceases operation in 2026-27.

On 19 October 2017, the Senate referred the Social Services Legislation Amendment (Housing Affordability) Bill 2017, which included the amendments to the NRAS ACT contained in this Bill, to the Community Affairs Legislation Committee (the Committee) for inquiry and report. The Committee recommended that the Housing Affordability Bill be passed.

**National Rental Affordability Scheme**

**Amendments to the NRAS Act**

The Government's amendments clarify and expand the power to make regulations under the NRAS Act, by removing any doubt that the NRAS Regulations can provide for protections and rights for investors in NRAS, and for the tenants of NRAS rental properties. The amendments will allow the making of regulations that will require approved participants to pass on annual state and territory contributions to investors within a reasonable time.

The amendments also clarify and expand the power to make regulations about the transfer of allocations from one rental property to another rental property, the imposition of additional conditions and changing conditions on existing allocations, and the transfer of allocations to another approved participant.
The NRAS Act requires the NRAS Regulations to prescribe that the rent charged for an approved rental dwelling must be at least 20 per cent less than the market rent ‘at all times during the year’. The expression ‘at all times during the year’ has been subject to different interpretations over the years, including a view that the requirement is satisfied if the rent charged over the course of a year is at least 20 per cent less than the market rent. This amendment confirms the intended interpretation, which is that each time rent is charged, it must be at least 20 per cent less than the market rent. There may be circumstances where a specific charge for rent is higher than permitted because of a mistake.

The amendments to the NRAS Act will permit the NRAS Regulations to provide for the Secretary of the Department of Social Services to have a power of dispensation for a breach of the requirement in a specific instance, where it is established that the excessive charge for rent occurred because of inadvertence and the tenant has been fully compensated for the error.

The NRAS Act requires the NRAS Regulations to prescribe maximum vacancy periods for approved rental dwellings. The prescriptive nature of the current vacancy provisions has been amended to allow greater flexibility for the NRAS Regulations to prescribe permitted vacancy periods. This flexibility will assist in the future administration of NRAS should changes be required on how the maximum vacancy periods are to operate.

The Commonwealth relies on a number of heads of legislative power under the Constitution to support the NRAS Act. The amendments set out these Constitutional powers and give the NRAS Act operation within the scope of these powers.

While most of the approved participants in NRAS behave appropriately in relation to investors, a small number of approved participants do not treat investors fairly. Examples of poor behaviour include delays in passing on incentives to investors, and the provision of misleading communications to investors. The amendments will allow the Secretary of the Department of Social Services to accept and then, if necessary, enforce a voluntary enforceable undertaking from an approved participant. This compliance tool will assist the Department of Social Services to modify the behaviour of some approved participants. In some cases, accepting an enforceable undertaking may be a more appropriate compliance response than transferring or revoking an allocation.

There will be no further new allocations in NRAS. The amendments to the NRAS Act will allow the NRAS Regulations to be simplified by the removal of provisions relating to the issue of new allocations.

**Conclusion**

The Government is committed to reducing rental costs for low and moderate income households. This Bill lays the foundation for improving the NRAS legislative framework to support the efficient administration of NRAS.

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

Ordered that the bills be listed on the Notice Paper as separate orders of the day.

**BUSINESS**

**Consideration of Legislation**

**Senator PATRICK** (South Australia) (11:57): I move:
(a) That so much of the standing orders be suspended as would prevent this resolution having effect.
(b) That the following bills be restored to the Notice Paper and consideration of each of the bills resume at the stage reached in the 45th Parliament:

Competition and Consumer Amendment (Truth in Labelling—Palm Oil) Bill 2017
Freedom of Information Legislation Amendment (Improving Access and Transparency) Bill 2018
Intelligence Services Amendment (Enhanced Parliamentary Oversight of Intelligence Agencies) Bill 2018
Question agreed to.

MOTIONS
World Haemochromatosis Week
Senator URQUHART (Tasmania—Opposition Whip in the Senate) (11:57): At the request of Senators Bilyk and Sterle, I move:

That the Senate—
(a) notes that:
   (i) 3 to 9 June 2019 was World Haemochromatosis Week,
   (ii) around 1 in 200 Australians have the genetic risk for haemochromatosis – or inherited iron overload disorder – making it the most common genetic disorder in Australia,
   (iii) if detected, haemochromatosis is easy to treat, yet it can be fatal if left undiagnosed and untreated, and
   (iv) during that week, Haemochromatosis Australia was promoting the message "TEST: Tricky to say, Easy to test, Simple to treat, Tragic to ignore"; and
(b) urges all members and senators to raise awareness among their constituents of:
   (i) the early symptoms of haemochromatosis, such as fatigue and joint pain,
   (ii) the dangers of experiencing the more severe symptoms of iron overload, such as organ failure, and
   (iii) the importance of asking their doctor for a blood test to check their risk of iron overload.

Question agreed to.

BUSINESS
Consideration of Legislation
Senator BERNARDI (South Australia) (11:58): I move:
(a) That so much of the standing orders be suspended as would prevent this resolution having effect.
(b) That the Nuclear Fuel Cycle (Facilitation) Bill 2017 be restored to the Notice Paper and consideration of the bill resume at the stage reached in the 45th Parliament.
Question agreed to.

BILLS
Australian Institute of Health and Welfare Amendment (Assisted Reproductive Treatment Statistics) Bill 2019
First Reading
Senator GRIFF (South Australia) (11:58): I move:
That the following bill be introduced: A Bill for an Act to amend the Australian Institute of Health and Welfare Act 1987, and for related purposes.
Question agreed to.
Senator GRIFF: 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 GRIFF** (South Australia) (11:59): I move:
That this bill be now read a second time.

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

**Senator GRIFF:** I table the explanatory memorandum and seek leave to have the second reading speech incorporated in *Hansard*.
Leave granted.

*The speech read as follows—*

IVF is an industry that needs more scrutiny. It’s heavily propped up by taxpayers, but is somehow allowed to operate without full public transparency.

This Bill provides consumers with access to objective and consistent information about the performance of assisted reproductive technology (ART) centres, in order to help them make an informed choice about their prospective treatment facility.

One in six Australian couples struggle to fall pregnant, which means most of us know someone who has gone through the exhausting rollercoaster of IVF.

There were 311,104 births in Australia in 2016, of which 13,596 were through assisted reproductive technologies such as IVF.

The technology is miraculous, but the process can also be emotional, heartbreaking - and very expensive. Couples desperate for a child will often hand over thousands of dollars for each attempt but, at the moment, they are doing it with very few facts to go on.

Their choice of specialist or clinic might be decided by reputation, GP referral, online reviews or the recommendations of friends. The decision won’t be made on objective and transparent information about the clinic’s performance because this information is currently hidden from the public. This turns an important life decision into a lottery and needs to change.

We need full disclosure about clinic performance. It is our right not only as consumers, but also as taxpayers who pour an enormous amount of money into Medicare and the Pharmaceutical Benefits Scheme.

This Bill amends the *Australian Institute of Health and Welfare Act 1987* to require all accredited fertility clinics to provide the Australian Institute of Health and Welfare (AIHW) with data on how many women underwent procedures at the clinic, which assisted reproductive treatments they received, the age of each woman, the number of resulting clinical pregnancies, and – most importantly – the number of resulting live births.

In 2016, the ACCC took IVF clinics to task for publishing misleading claims about their success rates – such as using their higher clinical pregnancy rates rather than live birth rates.

Some have since lifted their game, but it is still up to clinics to determine what data they publish, if at all – and even then the published data may be incomplete or selective.

Fertility clinics already report annually to the Australian and New Zealand Assisted Reproduction Database (ANZARD), resulting in the annual "assisted reproductive technology in Australia and New
Zealand report, so the preparation and reporting of performance data is not expected to be an onerous task for them.

The database is a collaboration between the University of New South Wales' National Perinatal Epidemiology and Statistics Unit (NPESU) – a unit which has been tasked by AIHW to collect other statistics, such as national perinatal data – and fertility clinics, and is funded by the Fertility Society of Australia.

This annual report is of limited use for consumers as it only provides a national overview of assisted reproduction treatment outcomes.

However, it does show there is significant variability in clinic success rates. According to the most recent results from 2016, live birth rates varied from 11.6% for the worst performer to 32% for the top performing clinic. Half of the fertility clinics surveyed sat in the 17-24% range. There was a similar result in 2015.

While a clinic’s patient demographics (such as average maternal age and causes of infertility) will have some bearing on these results, it illustrates that a woman’s chance of taking home a baby will vary substantially depending on which clinic doors she walks through.

In 2015, Richard Henshaw, a senior fertility expert at one of the larger groups, told the ABC that clinics in the top 25th percentile cost Medicare around $2 million to produce 100 live births, whereas clinics in the bottom 25th percentile cost Medicare three times that amount to produce the same result.

Medicare subsidises just under half of the approximately $10,000 cost for a first IVF cycle and the associated medication is heavily subsidised on the Pharmaceutical Benefits Scheme. Given the investment from taxpayers, it is only reasonable to pin some performance reporting obligations to this funding.

The industry in Australia would have us believe it is too difficult to publish standardised clinic success rates because there are too many variables in assisted reproductive technology. That argument doesn't hold water.

We know from overseas examples that comprehensive public reporting is completely achievable. The US has been doing it since 1992. It has a fantastic ART Success Rates database, published by the Centers for Disease Control and Prevention (CDC), which currently outlines the performance of 463 clinics.

The CDC database can be searched by location and clinic name, with each facility reporting the total number of cycles, pregnancies and live births. Success rates are given according to a woman’s age, and the information can be filtered according to treatment type and diagnosis, which allows a woman to put the data in context and find a clinic to suit her circumstances.

The U.S. took this route to help avoid the exploitation of infertile couples and to allow for "unethical practitioners" to be exposed.

Why shouldn't infertile Australians have the exact same thing? There is absolutely no reason I can see – other than to protect a highly profitable industry happy to thrive on client ignorance and trust.

This is not about publishing "league tables" but about giving consumers the facts they need to make informed choices about their treatment.

As consumers we have the power to research most things before we make a decision to buy or employ a service – even for something as trivial as a new appliance – so why shouldn't we also be able to do it when making some of the most important decisions of our lives?

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

Leave granted; debate adjourned.
BUSINESS
Consideration of Legislation

Senator GRIFF (South Australia) (11:59): I move:

(a) That so much of the standing orders be suspended as would prevent this resolution having effect.
(b) That the Telecommunications Legislation Amendment (Unsolicited Communications) Bill 2019 be restored to the Notice Paper and consideration of the bill resume at the stage reached in the 45th Parliament.

Question agreed to.

BILLS
Live Animal Export (Slaughter) Prohibition Bill 2019

First Reading

Senator FARUQI (New South Wales) (12:00): I move:

That the following bill be introduced: A Bill for an Act to amend the Export Control Act 1982 to prohibit the export of live animals for slaughter, and for related purposes.

Question agreed to.

Senator FARUQI: 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 FARUQI (New South Wales) (12:01): I move:

That this bill be now read a second time.

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

Leave granted.

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

Leave granted.

The speech read as follows—

I am honoured to introduce the Greens’ Live Animal Export (Slaughter) Prohibition Bill 2019, because we know that the live export trade is inevitably cruel and causes untold animal suffering.

Animals are not mere cargo. They are living, breathing, sentient beings. The reality is that live export cannot be made safe for sheep, cattle or any animal. It is a business model that is simply incompatible with animal welfare.

The Greens have long argued that we should be banning all live export for slaughter, and this Bill is part of the campaign to make that a reality. We make no apologies for standing up for the welfare of animals. We need a phased ban with a structural adjustment assistance fund which can transition the industry to the chilled meat trade.

Most Australians were awakened to the horror of live exports in April of 2018, when Animals Australia and 60 Minutes unveiled the truth of what happens on live export ships. The images from aboard the Awassi Express were sickening and heart-wrenching; images of thousands of sheep dying...
from heat stress and overcrowding. In one day alone, more than 800 sheep died in excruciating conditions. These images are burnt indelibly into my mind: scared, confused and terrified animals knee-deep in excrement; a newborn lamb lying abandoned and alone on a metal floor; sheep desperately trying to escape pens as they are literally cooked alive from the inside out; and carcasses piled up as they decay in the oppressive heat.

The only reason we know about this cruelty is because of a young Pakistani trainee navigation officer on the vessel, 25-year-old Faisal Ullah, a graduate of Pakistan Marine Academy. He described the conditions on board the vessel as being the same as putting live animals into the oven.

Mr Faisal Ullah said he felt a personal obligation to expose the cruelty because of the severity of the suffering that he witnessed, including lambs born on the ship being crushed to death and the cruel slitting of the throats of sheep to throw them overboard. Over the years, many others, like live export vet Lynn Simpson, have risked their jobs and their safety to expose the truth of animal abuse. We can’t see this cruelty again and again and think it should continue. This Bill honours their bravery in ending this trade in misery.

I wish that the Awassi Express was a one-off. I wish that we had caught the bad guys and punished them and life could go on. But this fantasy world that the Government lives in doesn’t exist. Cancelling one licence doesn’t change the fact that this is a trade built inherently on cruelty; on standards that guarantee the horrific and cruel deaths of thousands of sheep each year. This has been going on for decades, yet every time it happens it is written off as the actions of another bad apple. I am here to tell you today that the live export trade is simply and totally incompatible with animal welfare.

This mistreatment of animals has been going on for years and will continue until we shut it down. Thirty-three years ago, the Senate Committee into Animal Welfare investigated the live export trade and concluded that "if a decision were to be made on the future of the trade purely on animal welfare grounds, there is enough evidence to stop the trade".

The list of deaths and cruelty in the live export industry is extremely long. What happened aboard the Awassi Express wasn’t an accident. It wasn’t an exception. This is how the business model operates:

- In 1980, 40,000 sheep and a crew member died aboard the Farid Fares
- In 1966, 67,000 sheep died aboard the Uniceb
- In 1999, 800 cattle died on the Temburong
- In 2003, 5,500 sheep died on the MV Cormo Express
- In 2013 we learned about brutal sledgehammering of Australian cattle in Vietnam (and again in 2015 and 2016)
- In 2014, 4,000 sheep dead aboard the Bader III
- In 2017, 3,000 dead aboard the Al Messilah

And these are just the ones we know about.

And it isn’t just the death of animals that is the problem. It is how they die and how they live on these ships of misery. It is the torture and suffering, including the extreme heat, the significant distress and trauma, and the lack of hygiene of those who survive the trip.

In 2018, we found out that 9,227 sheep and 3,695 cattle on the MV Bahijah were subject to torturous heat stress for eight days straight. And just this year we have heard about the deaths and mistreatment of cattle on board, and as they were unloaded, from the Maysora in Israel. We have also heard that more than 1,500 head of cattle and 99 buffalo from Australia have disappeared from approved feedlots or abattoirs in Vietnam over the past 13 months, showing that that the Exporter Supply Chain Assurance System, known as ESCAS, isn’t working.
There have been more than a dozen reforms, reviews or inquiries since this industry started, and still the cruelty continues. This is an industry that cannot be sustained because its fundamentals are built on cruelty.

Live export isn't just bad for animals. It is bad for workers and the economy. A plethora of economic reports have confirmed that the live export trade has competed with, and caused the closure of, meat-processing plants and abattoirs in regional Australia, with the loss of local jobs and community incomes.

Australia’s chilled meat industry is worth seven times more to Australia than live exports and is rapidly growing. It makes no economic sense to keep the cruelty on these ships going. The live sheep export trade in particular is a dying industry. Every importing country already buys chilled and boxed meat products from Australia. Just six per cent—a mere six per cent—of Australian sheep enter the live export chain, and they can easily be accommodated in the chilled meat industry. With support, we can actually help farmers and workers transition out of this trade and into long-term security and sustainability.

Australians are asking us to end the brutality of live export but the Liberal and National Government is ignoring them. In response to the Awassi scandal, they cried crocodile tears but refused to make any meaningful change.

Even the half-hearted attempts by the Government to distract us have been plagued with scandal.

We know that the Department attempted to influence the Independent Review of the Regulatory Capability and Culture of the Department of Agriculture and Water Resources in the Regulation of Live Animal Exports, known as the Moss review, which was set up in response to the horrific abuse we saw on five separate voyages of the Awassi Express.

'The Department has failed as a regulator.' This was the beginning of the draft report provided to the Department of Agriculture and Water Resources on 17 December 2018. Ten days later, when the final version was released by the then Minister for Agriculture, David Littleproud MP, that sentence had been removed. We now know, thanks to the papers that my motion passed by the Senate caused to be released, that the Department of Agriculture's fingerprints are all over draft versions of the so-called independent report. The Department were shown at least four draft versions of the report, they provided extensive editing, and were allowed to influence and even propose deletion of whole sections of the report. We see the Department suggesting that wide-ranging criticisms of the Government and its contribution to animal cruelty be removed, and these criticisms never made it into the final report. We saw that the Department of Agriculture wanted to remove statements about any involvement or praise of animal welfare groups—the very groups that expose the animal cruelty in the first place— and they appeared to succeed in removing most of them.

That review also identified allegations made against seven individuals relating to the deliberate suppression by departmental staff of claims of poor animal welfare. A subsequent review into these claims, the Lawler Review, was unable to investigate these claims because doing so would potentially expose a whistle-blower. As such, the claims remain uninvestigated. It is beyond belief that very serious allegations from whistle blowers about the doctoring of mortality reports and a culture of secrecy and fear within the live exports regulator still haven't been adequately addressed. Potentially, you have senior staff in the Department with very serious allegations against them getting off scot-free, and the Government simply doesn't care.

The Government and the industry think our outrage will die down and we will become silent. Well, I have news for you. We are not looking away and we are not going away. We have been fighting to stop live exports for 30 years, and we will keep fighting because the live export industry is inherently cruel. The reality is that it cannot be regulated to meet community expectations or animal welfare. We have passed the tipping point, with the majority of Australians thoroughly rejecting the
cruelty of live export. I had the privilege of lodging a petition with 238,000 signatures against live export last year in the Senate, one of the largest petitions this Parliament has seen.

Before I conclude, I want to pay tribute to some trailblazers that have helped get us here: former Senators Lee Rhiannon and Derryn Hinch, both of whom worked hard over many years to expose this industry. I also note the incredible work of the many organisations like Animals Australia and RSPCA Australia that have pushed for this change. Most of all I thank the community, the people of Australia, who have been steadfast in their compassion for animals and their welfare.

We won't stop until the cruel live export industry is consigned to the dustbin of history.

The only solution is to shut it down. Not just sheep but all animals, including cattle, should be spared the hell of live export.

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

Leave granted; debate adjourned.

MOTIONS

World Heritage Areas

Senator FARUQI (New South Wales) (12:01): I move:

That the Senate—

(a) notes that:

(i) the Royal National Park in New South Wales has enormous heritage value, including being the first national park in Australia, as well as one of the first in the world, and

(ii) it has been six years since the Federal and New South Wales State Governments committed to nominating the Royal National Park for World Heritage status; and

(b) calls on the Federal Government to demonstrate environmental leadership and work with the New South Wales government to place the Royal National Park on Australia's Tentative World Heritage List.

Senator DUNIAM (Tasmania—Assistant Minister for Forestry and Fisheries and Assistant Minister for Regional Tourism) (12:02): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator DUNIAM: The proposal to include Royal National Park on Australia's Tentative World Heritage List would be best directed to the New South Wales government. Consistent with the decisions of the meeting of environment ministers in December 2015, the New South Wales government is responsible for conducting the necessary work to demonstrate that a credible case for World Heritage List inscription can be mounted before the Royal National Park could be considered for Australia's Tentative World Heritage List. If such a case can be made by the New South Wales government, the Royal National Park could be considered for Australia's tentative list, along with recommendations for other places made by any other state or territory.

Senator FARUQI (New South Wales) (12:02): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator FARUQI: On the doorstep of Sydney lies Australia's oldest national park, and the second-oldest in the world. The Royal National Park, or 'the Nasho', as locals call it, is an environmental and cultural jewel, and more than 4½ million people visit it every single year. The national park deserves to be nominated for World Heritage listing, and it has been six
years since both the New South Wales government and the federal government committed to working together to make this happen. The community is deeply frustrated at the slow pace and wants to know what is going on. In that time, we've had a plethora of environmental ministers at both the federal and the state level. So, just get your act together, and let's give the Nasho the protection it deserves.

Question agreed to.

BUSINESS
Consideration of Legislation

Senator FARUQI (New South Wales) (12:04): I move:

(a) That so much of the standing orders be suspended as would prevent this resolution having effect.

(b) That the Australian Research Council Amendment (Ensuring Research Independence) Bill 2018 be restored to the Notice Paper and consideration of the bill resume at the stage reached in the 45th Parliament.

Question agreed to.

MOTIONS
Whaling

Senator WHISH-WILSON (Tasmania) (12:05): I seek leave to amend general business notice of motion No. 10.

Leave granted.

Senator WHISH-WILSON: I move the motion as amended:

That the Senate—

(a) notes that:

(i) Japan has turned its back on the international community by recommencing commercial whaling for the first time since 1988,

(ii) Japan has also turned its back on a rules-based order by leaving the International Whaling Commission (IWC) which has been integral to preventing some species of whales from becoming extinct,

(iii) Norway and Iceland have reduced commercial whaling in recent years in response to the negative impact it is having on tourism, and

(iv) whale watching is a viable business in many parts of the world, and that it is a much more sustainable business than killing whales; and

(b) condemns Japan, Norway and Iceland for their commercial whaling, and implores them to support whale watching rather than whale killing.

Senator DUNIAM (Tasmania—Assistant Minister for Forestry and Fisheries and Assistant Minister for Regional Tourism) (12:05): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator DUNIAM: The Australian government is disappointed that Japan has resumed commercial whaling, following its withdrawal from the International Convention for the Regulation of Whaling and its decision-making body, the International Whaling Commission. Australia has publicly urged Japan to return to the convention and the commission as a matter of priority. The government welcomes Japan's decision to stop whaling in the Southern Ocean.
and its commitment to continue to cooperate with the commission. The government's position on whaling has not changed: we remain resolutely opposed to all forms of commercial and scientific whaling. Japan is well aware of our position.

Question agreed to.

**BILLS**

**Constitution Alteration (Freedom of Expression and Freedom of the Press) 2019**

**First Reading**

Senator PATRICK (South Australia) (12:06): I, and also on behalf of Senator Griff, move:

That the following bill be introduced: A Bill for an Act to alter the Constitution to expressly protect freedom of expression, including freedom of the press.

Question agreed to.

Senator PATRICK: 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 PATRICK (South Australia) (12:07): I move:

That this bill be now read a second time.

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

Leave granted.

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

Leave granted.

The speech read as follows—

I am pleased to introduce the Constitution Alteration (Freedom of Expression and Freedom of the Press) 2019.

This Bill is a landmark Bill – it will provide much needed protection of a right that every Australian citizen assumes they have already, a right they regularly rely on.

With the recent world events and events at home, it is obvious that freedom of expression and freedom of the press are under significant challenge – many would say significant threat – and require Constitutional protection.

The recent Australian Federal Police raids on journalists and media organisations provide a salutary warning that freedom of the press, a pillar of our democracy, can never be taken for granted.

Australia lacks, at a national level, entrenched protections of freedom of expression. The only protections in Australia are those found in cases decided by of the High Court of Australia which established that there is an implied freedom of political communication under the Constitution. However, this freedom is not absolute, and is far more restricted than guarantees provided by other jurisdictions.
This alteration to the Constitution will protect freedom of expression along similar lines to the First Amendment to the Constitution of the United States of America which provides that the Congress "shall make no law... abridging the freedom of speech, or of the press."

The Australian Constitution does not contain a bill of rights. However, it does provide some express protection against legislative or executive action by the Commonwealth (though not by the States). Notably, section 116 provides that the Parliament "shall not make any law for establishing any religion, or for imposing any religious observance, or for prohibiting the free exercise of any religion..."

In a similar way, the proposed explicit protection for freedom of expression would reflect the deep understanding in the Australian community that people must be able express their opinions with confidence and free of repercussions. It would put a constitutional brake on efforts to suppress freedom of expression to the detriment of our democratic and open society. The alteration will set a clear benchmark against which current laws of the Commonwealth, States and Territories can be judged.

At international law, freedom of expression is a fundamental human right. Article 19 of the Universal Declaration of Human Rights states that:

Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.

Freedom of the press is included in freedom of expression, therefore, it is important that the protection will also extend to the media, delivered in any form, so that the media may continue to contribute to a free and democratic society. The importance of free media inquiry and reporting, including quality investigative journalism, cannot be underestimated for the contribution it has made to an environment of accountability and opportunity for reform. Where serious wrongdoing, in the form of corruption and lack of integrity or an attitude of apathy to corruption, is uncovered, it is important that this can be brought to the public's attention after avenues for holding those accountable have failed. For this reason, the proposed amendment expressly states that the freedom of expression includes the freedom of the press and other media, underscoring the significance of recent actions by government that limit that freedom.

This proposed alteration to the Constitution will extend the protection required to ensure the media can always play its vital role in supporting Australia's democracy.

The proposed alteration to the Constitution includes necessary provision for limitation of freedom of expression when, and only when, such limitation is "reasonable and justifiable" in an open, free and democratic society. It is important that the alteration contains provision for limitation, however any limitation must be consistent with the values and freedoms enjoyed within Australia.

What is "reasonable and justifiable" will be a matter for the Commonwealth, State and Territory legislatures, but will be subject to potential constitutional review by the High Court of Australia.

It is important to also recognise that this proposed alteration will, for the first time, not only incorporate into Australia's Constitution explicit protection for freedom of expression and the freedom of the press, but will also give constitutional recognition and expression to the "open, free and democratic" character of Australian society.

The explicit statement of these fundamental aspects of Australian society and democratic politics in our Constitution is long overdue and the Parliament should pass this Bill and put the proposed alteration to the Australian people for decision.

I commend this Bill to the Senate.

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

Leave granted; debate adjourned.
Constitution Alteration (Water Resources) 2019

First Reading

Senator PATRICK (South Australia) (12:08): I move:

That the following bill be introduced: A Bill for an Act to alter the Constitution to make laws for the use and management of water resources that extend beyond the limits of a State, and to require laws relating to water resources to not have an overall detrimental effect on the environment.

Question agreed to.

Senator PATRICK: 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 PATRICK (South Australia) (12:08): I move:

That this bill be now read a second time.

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

Leave granted.

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

Leave granted.

The speech read as follows—

The water resources of the Murray-Darling Basin and the Great Artesian Basin are of tremendous importance and must be managed on an environmentally sustainable basis in the interests of our nation as a whole.

If passed, this legislation would ask the Australian people whether the Australian Constitution should be amended to give the Commonwealth Parliament the power to make laws for the use and management of water resources that extend beyond the limits of a State, while preventing the making of laws that would have an overall detrimental effect on the environment.

The Murray-Darling is the largest and most complex river system in Australia. It runs from Queensland, through New South Wales and the Australian Capital Territory, Victoria and South Australia, spanning 77,000 kilometres of rivers. Some three million people have access to drinking water from the Basin. Agriculture in the Murray-Darling Basin is worth $24 billion annually while its river system supports unique and diverse ecosystems including habitats for some 120 water bird species and 46 native fish species.

The Great Artesian Basin is another vital national water resource. It underlies an area of 1.7 million square kilometres, approximately 22 per cent of the Australian continent. It is the only source of reliable water for human activity and water-dependent ecosystems across large parts of the arid and semi-arid inland regions of Queensland, New South Wales, South Australia and the Northern Territory.

The findings of the South Australian Murray-Darling Basin Royal Commission and the Australian Academy of Science’s investigation of the causes of mass fish kills in the Menindee Region of New South Wales leave little doubt that the management of the water resources of the Murray-Darling Basin is dysfunctional and leading to significant adverse environmental impacts. The Murray-Darling is highly likely to face more severe challenges as a consequence of climate change.
Similarly it has long been acknowledged that the Great Artesian Basin is under stress through excessive pumping and waste of bore water with a consequent need of more effective and sustainable management of what is a unique resource. Given the significant overlap of the Murray-Darling Basin and Great Artesian Basin, these great natural water resources should be managed on a fully integrated, national basis.

That is not the case now. Despite the passage of the Commonwealth Water Act 2007 and the implementation of the Murray-Darling Basin Plan, we still have different water rules in each state, different compliance measures in each state, different governments distributing money for different elements of the Basin Plan, different accountability measures and general opaqueness in the execution and oversight of the Basin Plan caused by its multi-jurisdictional nature.

Little progress can be made while vested interests can exert an effective veto through their state governments over any proposed reform to Basin-wide water management. Every time changes to the Murray-Darling Basin plan are proposed state water ministers threaten to pull their state out of the Basin Plan.

The Murray-Darling is a vital resource that cannot be managed on the basis of lowest common denominator agreements. We need a fully national framework that operates in the national interest.

The failure of federal and state governments to make a substantive response to the recommendations of South Australia's Murray-Darling Basin Royal Commission has made clear the absolute bankruptcy of the current management of Australia's most important river system.

This bill calls for a referendum under section 128 of the Constitution to add to the list of matters on which the Commonwealth Parliament can make laws: the use and management of water resources that extend beyond the limits of a State.

Such an alteration would put beyond doubt the Commonwealth's ability to legislate to manage the water resources of the Murray-Darling Basin river system and the Great Artesian Basin and if necessary to override inconsistent state water management legislation.

The Commonwealth already plays a key role in management of the Murray Darling Basin river system through the Water Act and the implementation of the Basin Plan. The constitutionality of the Water Act and the Basin Plan have been the subject of argument and successive Commonwealth Governments have declined to release relevant legal advice on the question. The Water Act states that the Act variously relies on:

- the Commonwealth's legislative powers under paragraphs 51(i), (v), (viii), (xi), (xv), (xx), (xxix) and (xxxix) and section 122;
- any implied legislative powers of the Commonwealth, and
- legislative powers referred to the Commonwealth by state parliaments under paragraph 51(xxxvii).

Future management of the Basin, including any amendment to the Basin Plan, remains contingent on agreement between the Commonwealth, state and territory governments. Past experience shows that it is very difficult to secure agreement and the parochial interests often trump the national interest.

Management of the water resources of the Great Artesian Basin is currently achieved through consultation and agreement between the Commonwealth, Queensland, New South Wales, South Australian and Northern Territory governments. Again, a requirement for interjurisdictional agreement gives parochial interests much influence over management outcomes.

The Constitution alteration proposed by this legislation would provide the Commonwealth Parliament with unambiguous authority to make laws relating to water resources that extend beyond the limits of a state.
Such an alteration would put beyond doubt the power of the Commonwealth to legislate to manage the Murray-Darling river system and the Great Artesian Basin without relying on the referral of power from state parliaments and if necessary, to override state water management legislation.

The proposed alteration would further ensure that any law of the Commonwealth that relates to water resources must not affect water resources in a way that has an overall detrimental effect on the environment. This requirement would apply to all laws relating to water resources made by the Commonwealth Parliament under section 51 of the Constitution.

This provision reflects the Commonwealth Parliament's already stated view, as expressed through the purposes of the Water Act, on the importance of protecting and restoring ecosystems reliant on the Murray-Darling Basin. More broadly it provides constitutional recognition of the vital importance of protecting and preserving Australia's major national water resources.

If passed, this legislation would affirm the Parliament's intention to rely on the new legislative power to create a nationally consistent regulatory framework for the use and management of all or particular water resources that extend beyond the limits of a State. For the avoidance of doubt, the legislation would further confirm that water resources that extend beyond the limits of a State include the Murray-Darling Basin and the Great Artesian Basin.

This legislation does not propose any amendment or change to section 100 of the Constitution which provides that the Commonwealth shall not, by any law or regulation of trade or commerce, abridge the right of a State or its residents to the reasonable use of the waters of rivers for conservation or irrigation.

This legislation does not propose any change to section 99 of the Constitution that provides that the Commonwealth shall not, by any law or regulation of trade, commerce, or revenue, give preference to one State or any part thereof over another State or any part thereof.

The vital importance of protecting and preserving Australia's major national water resources should be clearly recognised and entrenched in our Constitution. Our water resources, rivers and the environment must come first.

This is not a new problem. In 1897 and 1898 parochial state interests blocked the federal constitutional conventions from adopting South Australian proposals that the new Commonwealth Parliament be given full power to control and regulate the River Murray and other interstate inland waterways.

120 years later, the Australian people should be given the opportunity to fix this constitutional flaw. Our great river system the Murray-Darling, and the unique resource of the Great Artesian Basin, can't wait any longer.

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

Leave granted; debate adjourned.

MOTIONS

Women in Sport

Senator RICE (Victoria) (12:09): Before moving general business notice of motion No. 16, I ask that the name of Senator Green be added to the motion. I, and also on behalf of Senators Waters and Green, move:

That the Senate—
(a) notes:
(i) the recent dominant performances of Australian women across a range of international sports, including:
(A) Ms Ashleigh Barty has been ranked No. 1 in singles by the international Women's Tennis Association, the first Australian woman to reach the top of the world tennis rankings since Ms Evonne Goolagong Cawley in 1976,

(B) Ms Hannah Green secured a win in the Women's PGA Championship, becoming the third Australian woman to win a golfing major title after Ms Karrie Webb and Ms Jan Stephenson,

(C) Ms Sally Fitzgibbons was crowned surfing world No. 1 after beating Ms Carissa Moore in the final of World Surf League's Rio Pro in Brazil,

(D) The Matildas reached the Round of 16 in the Women's Football World Cup in France, with captain Ms Sam Kerr becoming the first Australian to score four goals in a World Cup game, and

(E) Australia's women's eight crew won gold at the Rowing World Cup in Poland,

(ii) that there continue to be significant barriers to equality in women's sport, including huge pay and prize money disparity, lack of investment in and access to facilities and sporting grounds, and structural barriers including sexism, transphobia, intersexism and lack of media coverage, and

(iii) that interest in women's sport is increasing and female athletes are inspiring a whole new generation of children - equality in sport will benefit our economy, communities and athletes and help to address cultural issues that prevent women from being equally valued in our society;

(b) congratulates and thanks all these women for their dedication to excellence, and for the inspiration they provide to women and girls across Australia; and

(c) calls on the Federal Government to encourage and facilitate women's participation in sport, particularly in traditionally male-dominated sports, as players, coaches and leaders, by appropriately investing in facilities and promoting pay, prize money, and broadcast equity.

**Senator DUNIAM** (Tasmania—Assistant Minister for Forestry and Fisheries and Assistant Minister for Regional Tourism) (12:09): I seek leave to make a short statement.

**The PRESIDENT:** Leave is granted for one minute.

**Senator DUNIAM:** The government congratulates the recent achievements of Australian women across a range of international sports. As a government we're investing significant resources in supporting rapid growth in women's sport across Australia. Recently, the Morrison government announced an investment of $150 million to support the development of female change rooms at sporting grounds and swimming facilities. This will drastically improve the state of women's sporting facilities across the country.

In addition, our government is backing the bid to host the FIFA Women's World Cup in 2023 and we have made investments to boost women's participation in women's tennis and netball. Finally, through the Women Leaders in Sport program, we are providing support across the sports' sector in order to develop opportunities for women to reach their leadership potential.

Question agreed to.

**BUSINESS**

**Consideration of Legislation**

**Senator DI NATALE** (Victoria—Leader of the Australian Greens) (12:10): I move:

(a) That so much of the standing orders be suspended as would prevent this resolution having effect.

(b) That the following bills be restored to the Notice Paper and consideration of each of the bills resume at the stage reached in the 45th Parliament:

Air Services Amendment Bill 2018
Australian Cannabis Agency Bill 2018
Australian Multicultural Bill 2018
Broadcasting Services Amendment (Audio Description) Bill 2018
Coal-Fired Power Funding Prohibition Bill 2017
Commonwealth Electoral Amendment (Lowering Voting Age and Increasing Voter Participation) Bill 2018
Competition and Consumer Amendment (Prevention of Exploitation of Indigenous Cultural Expressions) Bill 2019
Discrimination Free Schools Bill 2018
Environment and Infrastructure Legislation Amendment (Stop Adani) Bill 2017
Murray-Darling Basin Commission of Inquiry Bill 2019
Regional Forest Agreements Legislation (Repeal) Bill 2017
Social Services Legislation Amendment (Ending the Poverty Trap) Bill 2018.
Question agreed to.

DOCUMENTS
Department of Home Affairs: Paladin Contracts
Order for the Production of Documents

Senator KENEALLY (New South Wales—Deputy Leader of the Opposition in the Senate) (12:11): Before moving general business notice of motion No. 21, I ask that Senator Griff's name be added to the motion. I, and also on behalf of Senator Griff, move:

That there be laid on the table by the Minister representing the Minister for Home Affairs, by no later than 12 pm on 23 July 2019, the following documents:

(a) any correspondence, emails and notes of discussion between the Department of Home Affairs and:

(i) Paladin, including Paladin Holdings Pte Ltd, Paladin Solutions Group, Paladin Group Australia or Paladin Australia Pte Ltd, and any individuals either employed by, or holding a financial interest in, Paladin,

(A) in particular, any correspondence, emails and notes of discussion that include Mr Dermot Casey, and

(ii) NKW Holdings, including NKW Holdings Australia Pte Ltd, and any individuals either employed by, or holding a financial interest in NKW;

(b) any formal contracts between the Department of Home Affairs and any of the abovementioned companies to provide services in Papua New Guinea or Manus Island, with commercially sensitive information redacted;

(c) any reports prepared by external auditors, particularly Ernst and Young or KPMG, regarding operations undertaken by the abovementioned companies, or the tendering process that secured those services, with commercially sensitive information redacted; and

(d) any formal briefings, talking points or Question Time briefings prepared by the Department of Home Affairs in relation to the performance or activities of any of the abovementioned companies, or the tendering process that secured those services.

Question agreed to.

Senator Wong interjecting—
The PRESIDENT: Well, if you would like to ask me, Senator Wong, I said at the start that if the Senate wants me to run through these things numerically I'm happy to. But I have previously been asked to try to do matters—

Senator Wong interjecting—

The PRESIDENT: If I could finish, I will call you, Senator Wong. I have previously been asked to do matters without divisions first, and then we go—

An honourable senator interjecting—

The PRESIDENT: Well, I go on advice I get from whips. If people want to correct that advice I'm more than happy to do it in the order that I have outlined. Senator Wong?

Senator WONG (South Australia—Leader of the Opposition in the Senate) (12:12): I think the difficulty I'm having, Mr President, is that it is a different approach to the one you have taken previously, where we were told the numerical order is the way in which you wish to deal with it.

The PRESIDENT: At the start of today—

Senator WONG: And there are a number of matters where there may not be a division that you have skipped past. If we're going to go through the whole thing, Senator Cormann and I can sit here waiting to get to the relevant motions that we are waiting for.

Senator Bernardi: Good idea!

Senator WONG: I'm happy to do that, Senator Bernardi, but I don't quite understand why we are at an OPD discussion when there are motions earlier that do need to be dealt with.

The PRESIDENT: I will explain—

Senator WONG: It is in your hands, Mr President.

The PRESIDENT: Senator Wong, we normally do things numerically on Thursdays, because of the hard marker. At the start of this session I announced I would not do that today, because there was no hard marker at 12.45; otherwise everyone spends an hour in the chamber. If at any point someone would like to come to me and say, 'We have skipped my motion. Why?' or 'Could we do it earlier?' I have previously indicated I'm more than happy to. If people are indicating they would like to go back to an earlier motion, please just bring it to my attention and I'll do my best, particularly if it's party leaders or whips making the request. So—

An honourable senator interjecting—

The PRESIDENT: Well, I was now moving to matter No. 22, because—

Senator Cormann interjecting—

The PRESIDENT: What motion would you like to deal with?

Senator Cormann: Nos 9, 10 and 11—

The PRESIDENT: Eleven? All right, I will now go numerically. We'll go back to business of the Senate notice of motion No. 2 in the name of Senator Whish-Wilson.
 COMMITTEES
Economics Legislation Committee

Reference

Senator WHISH-WILSON (Tasmania) (12:14): I move:


I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator WHISH-WILSON: I don't think anybody would dispute that the Senate is this country's house of review. The Senate is this country's house of review, and our job is to thoroughly scrutinise legislation. I don't think anybody else in this place would dispute that this is the signature piece of legislation that will be brought before this 46th Parliament that involves very significant economic reform in this country. Regardless of what you think about the pros and cons of this tax package, this needs to go to an inquiry. The last time we had an inquiry on this package was well over a year ago. I also don't think that there's anyone in here, even Senator Cormann, who would dispute that our economy is sailing into some very strong headwinds at the moment. The situation has totally changed. The Senate needs to do its job. Send this off to committee. Thoroughly scrutinise this legislation. Call the experts. Put the facts on the table and let everyone in here make an informed decision rather than a political decision— (Time expired)

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (12:15): I seek leave to make a brief statement.

The PRESIDENT: Leave is granted for one minute.

Senator CORMANN: The government will oppose this motion. It's time for the Senate to get on with this legislation, to respect the verdict of the Australian people. Obviously, in the context of wanting to build a stronger and more resilient economy, lower income taxes for all hardworking Australians are very important. That is why we're calling on the Senate to get on with it and get this dealt with.

The PRESIDENT: The question is that business of the Senate motion No. 2, standing in the name of Senator Whish-Wilson, be agreed to.

The Senate divided. [12:20]

(The President—Senator Ryan)

Ayes .....................9
Noes .....................48
Majority .................39

AYES
Di Natale, R
Hanson-Young, SC
Rice, J
Steele-John, J

Faruqi, M
McKim, NJ
Stewart, R (teller)
Waters, LJ
Thursday, 4 July 2019

AYES

Whish-Wilson, PS

NOES

Abetz, E
Askew, W
Bernardi, C
Brockman, S
Carr, KJ
Ciccone, R
Cormann, M
Dodson, P
Fawcett, DJ
Gallagher, KR
Griff, S
Hughes, H
Keneally, KK
Lines, S
McGrath, J
O'Sullivan, M
Patrick, RL
Reynolds, L
Ruston, A
Scarr, P
Sinodinos, A
Stoker, AJ
Van, D
Watt, M

Antic, A
Ayres, T
Bragg, A J
Canavan, MJ
Chandler, C
Colbeck, R
Davey, P
Duniam, J
Fifield, MP
Green, N
Hanson, P
Hume, J
Lambie, J
McDonald, S
McMahon, S
Paterson, J
Rennick, G
Roberts, M
Ryan, SM
Sheldon, A
Smith, DA
Urquhart, AE (teller)
Walsh, J
Wong, P

Question negatived.

DOCUMENTS

Commissioner of Taxation
Order for the Production of Documents

Senator PATRICK (South Australia) (12:26): I move:

(1) That the Senate notes that—

(a) on 12 October 2017, Mr Richard Boyle made a disclosure under the Public Interest Disclosure Act 2013 (PID Act) as a former employee of the Australian Taxation Office (ATO), alleging the ATO:

(i) had instructed employees to issue standard garnishee notices to seize funds from taxpayers' bank accounts without notice or consideration of their personal and business circumstances, and

(ii) in doing so, had required employees to engage in conduct that was unethical, unprofessional and against the Australian Public Service Code of Conduct;

(b) on 27 October 2017, the ATO decided not to further investigate Mr Boyle's disclosure on the basis that the information did not concern serious disclosable conduct as defined in the PID Act; and

(c) subsequent media inquiries found anomalies in the ATO's debt collection practices that appeared consistent with Mr Boyle's disclosure.

(2) That the Senate is of the opinion that—
(a) whistleblowers must be protected to ensure integrity and deter misconduct within the
government and the public sector; and

(b) examining the ATO's actions in relation to Mr Boyle's disclosure is consistent with the
Senate's role in providing oversight of government administration.

(3) That the Senate orders the Commissioner of Taxation to provide all documents relating to the
disclosure generated or received by Mr Boyle's supervisor, authorised officer and principal officer (as
defined in the PID Act to the Economics Legislation Committee (the committee) by no later than 5 pm
on 10 July 2019.

(4) That the committee, when it has considered the documents, report to the Senate as to whether the
ATO's handling of disclosures by whistleblowers warrants further inquiry.

Senator DUNIAM (Tasmania—Assistant Minister for Forestry and Fisheries and
Assistant Minister for Regional Tourism) (12:26): I seek leave to make a short statement.

The PRESIDENT: One minute, Senator Duniam.

Senator DUNIAM: We believe that the public release of the information requested within
this motion would potentially prejudice
future legal proceedings being a fair trial of criminal
charges by jury.

Senator PATRICK (South Australia) (12:26): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator PATRICK: Mr Boyle is before the courts, dealing with matters relating to
recordings and taking documents home. This order for the production of documents is to
examine the conduct of the ATO, not of Mr Boyle. It's a really important issue—that we make
sure we protect whistleblowers. I'm not satisfied, from the information that I have, that the
ATO has done its job properly, and it is incumbent upon the Senate—noting that this is a
whistleblower protection issue—to conduct oversight in relation to this matter.

The PRESIDENT: The question is—Senator Cormann?

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the
Executive Council and Leader of the Government in the Senate) (12:27): Just to assist the
chamber: there has been some conversation across the table; it may assist the chamber if
Senator Patrick might be prepared to defer this motion and we might have some further
conversations.

The PRESIDENT: I'm in the hands of the chamber. It has been suggested that you seek
leave to defer this matter until the next day of sitting, but it's your call, Senator Patrick.

Senator PATRICK (South Australia) (12:27): Out of courtesy, I seek leave to defer this
issue until the next day of sitting.

Leave granted.

MOTIONS

Newstart and Youth Allowance

Senator SIEWERT (Western Australia—Australian Greens Whip) (12:28): I move:
That the Senate—

(a) notes that:
(i) there are approximately 3 million people in Australia living in poverty, including over 700,000 children,
(ii) Australia has no poverty reduction plan and, despite economic growth, poverty levels have remained high,
(iii) Newstart and Youth Allowance have not had an increase in real terms for over 25 years,
(iv) recipients of these income support payments are unable to cover basic living costs such as housing, food, transport, healthcare and utilities,
(v) income inequality and poverty has significant negative effects on individuals' physical and mental wellbeing and society, and
(vi) poverty in early childhood can lead to poorer life outcomes; and
(b) calls on the Federal Government to make it a priority to help address poverty in Australia by raising Newstart and Youth Allowance by $75 a week.

Senator DUNIAM (Tasmania—Assistant Minister for Forestry and Fisheries and Assistant Minister for Regional Tourism) (12:28): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator DUNIAM: The proportion of Australians receiving working-age income support payments has fallen to its lowest level in 30 years, of 14.3 per cent. Newstart was not designed to be long-term income on an ongoing basis. Everyone who receives Newstart is provided with some form of additional assistance from the welfare system.


The PRESIDENT: Leave is granted for one minute.

Senator GALLAGHER: Labor thinks Newstart is too low. It's so low that it is preventing people from getting work—they can't afford the clothes, the transport or essentials—and it's so low that it's causing real hardship for many, many Australians. We've been saying that for a long time now. And of course we went to the last election with a clear commitment to review the rate— to have a review to make sure Newstart was adequate to support people into work and keep them out of poverty, just like Labor reviewed the rate of the pension when we were last in government and delivered a significant increase to payments.

But we didn't win the election, and the responsibility for taking action over the next three years rests squarely with government. It's time the Liberals and Nationals stopped demonising people on social security. In the last term of parliament, they tried to cut Newstart by scrapping the energy supplement, and that is the sorry record of this government when it comes to looking after the most vulnerable.

Senator SIEWERT (Western Australia—Australian Greens Whip) (12:29): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator SIEWERT: Well, here we go. As I foresaw and mentioned in the chamber earlier today, the government is trotting out the same old tripe: 'It's only a transitional payment.' Forty-four per cent of people on Newstart are on it for longer than two years, 15 percent for longer than five years. That is an old trope you keep using and it is ridiculous. At least come
up with new lines for why you're not going to increase Newstart: 'We just don't care, in fact so much so that we're going to give $95 billion to the wealthy people in this country rather than increasing Newstart.' As for the opposition, have some guts! Say, 'We actually need to raise Newstart.' Don't call for a review. Just support an increase in Newstart so people aren't living in poverty.

The PRESIDENT: The question is that motion No. 9 standing in the name of Senator Siewert be agreed to.

The Senate divided. [12:31]

(The President—Senator Ryan)

Ayes .................13
Noes .................40
Majority .............27

AYES
Di Natale, R
Griff, S
Hanson-Young, SC
McKim, NJ
Rice, J
Steele-John, J
Whish-Wilson, PS

NOES
Abetz, E
Askew, W
Bernardi, C
Brockman, S
Chandler, C
Colbeck, R
Davey, P
Duniam, J
Fifield, MP
Green, N
Keneally, KK
McGrath, J
O’Sullivan, M
Rennick, G
Ruston, A
Scarr, P
Sinodinos, A
Stoker, AJ
Van, D
Wait, M

Question negatived.
Hong Kong

Senator DI NATALE (Victoria—Leader of the Australian Greens) (12:34): I ask that general business notice of motion No. 11, standing in my name and in the name of Sarah Hanson-Young for today, relating to Hong Kong, be taken as a formal motion.

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

Senator Duniam: Yes.

The PRESIDENT: There is an objection to this motion being taken as formal.

Senator DI NATALE: I seek leave to make a one-minute statement in lieu of—

The PRESIDENT: Leave is granted for one minute.

Senator DI NATALE: The Greens have put forward this motion to show solidarity with those people in Hong Kong who are protesting to defend their democratic rights and freedoms: the right to freedom of speech, to freedom of the press and to freedom of assembly. They rightly fear the reintroduction of a bill that would allow extraditions to mainland China, and who would blame them? They want to see it withdrawn. On 12 June, on just one day, the police in Hong Kong used 150 tear gas canisters on protesters. The Greens support their cause for the withdrawal of the bill, for an investigation into police actions and for the release of imprisoned protesters. We urge the coalition government, who say they stand up for the principles of democracy and who want to talk about freedom: well, stand up for it; defend Hong Kong's democratic rights.

Senator DUNIAM (Tasmania—Assistant Minister for Forestry and Fisheries and Assistant Minister for Regional Tourism) (12:36): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator DUNIAM: Thank you, Mr President. There is intense public interest and international community concern at events in Hong Kong. Australia supports the right of people to protest peacefully and to exercise their freedom of speech, and we urge all sides to show restraint and avoid violence. Australia has a substantial stake in Hong Kong's success and values Hong Kong's unique advantages and freedoms under one country, two systems: the rule of law and its independent judiciary. The government has welcomed the announcement by the Hong Kong Chief Executive, Carrie Lam, to suspend legislative consideration of the planned changes to Hong Kong's extradition framework.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (12:36): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator WONG: I thank the Senate. The opposition will recognise the government's right to deny formality, consistent with longstanding arrangements in this place which have previously been outlined. However, in relation to Hong Kong, I want to place on the record, consistent with my public statements previously, that the Australian Labor Party recognises and supports Hong Kong's unique advantages and freedoms under one country, two systems. Hong Kong is an important part of the international financial system and many Australians have personal and business connections there. Along with many in the international community, the people of Hong Kong are hoping it will retain its unique advantages and freedoms under one country, two systems, including particularly the rule of law and an
independent judiciary. As a longstanding and consistent advocate for human rights, the Australian Labor Party believes that these arrangements must continue to be upheld.

**Violence Against Women**

**Senator Waters** (Queensland) (12:37): I move:

That the Senate—

(a) notes that:

(i) since the start of 2019, there have been 25 women killed by violence in Australia as reported by Counting Dead Women Australia from Destroy The Joint,

(ii) today there have been reports of a further violent death of a woman in Queensland – her death is under investigation and raises the toll to 26,

(iii) there is no national government reporting program to record the ongoing toll of women killed by violence in real time – this work is currently left to researchers at not-for-profit organisations like Destroy the Joint,

(iv) on average, one woman a week is murdered by her current or former partner,

(v) 1 in 3 Australian women have experienced physical violence since the age of 15,

(vi) 1 in 5 Australian women has experienced sexual violence,

(vii) 1 in 6 Australian women has experienced physical or sexual violence by a current or former partner,

(viii) 1 in 4 Australian women has experienced emotional abuse by a current or former partner,

(ix) Australian women are nearly three times more likely than men to experience violence from an intimate partner,

(x) there is growing evidence that women with disabilities are more likely to experience violence,

(xi) Aboriginal and Torres Strait Islander women report experiencing violence in the previous 12 months at 3.1 times the rate of non-Indigenous women, and

(xii) in 2014-15, Indigenous women were 32 times as likely to be hospitalised due to family violence as non-Indigenous women; and

(b) calls on the Federal Government to:

(i) recognise domestic violence against women as a national security crisis,

(ii) adequately fund frontline domestic violence and crisis housing services to ensure that all women seeking safety can access these services when and where they need them,

(iii) legislate for 10 days paid domestic violence leave so that women don't have to choose between paying the bills and seeking safety,

(iv) implement all 25 recommendations contained in the report of the Finance and Public Administration References Committee on domestic violence in Australia, tabled on 20 August 2015, and

(v) much like the national road toll, maintain and publish an official real-time national toll of women killed by violence in Australia.

**Senator Ruston** (South Australia—Minister for Families and Social Services and Manager of Government Business in the Senate) (12:38): I seek leave to make a short statement.

The President: Leave is granted for one minute.
Senator RUSTON: The Morrison government has taken action against the scourge of violence against Australian women. The government is making the single biggest ever investment of $328 million to the next National Plan to Reduce Violence against Women and their Children, which is focused on prevention, frontline services and emergency accommodation.

Question agreed to.

South Australia: Transport

Senator HANSON-YOUNG (South Australia) (12:38): I, and also on behalf of Senator Farrell, move:

That the Senate—

(a) notes that:

(i) public services in South Australia, this time the transport system, are under attack from privatisation, and

(ii) privatisation of essential services has an adverse effect on South Australians, with services becoming more expensive and less reliable – electricity prices increased when the Electricity Trust of South Australia was privatised in 1999, as well as bus fares increasing after privatisation in recent years; and

(b) calls on the South Australian Liberal Government to reconsider its move to privatise Adelaide Metro trains and trams.

Senator DUNIAM (Tasmania—Assistant Minister for Forestry and Fisheries and Assistant Minister for Regional Tourism) (12:39): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator DUNIAM: While the matter at hand is solely a state government responsibility, I would note that the South Australian Marshall Liberal government has been explicitly clear about the fact that their announcement about the future operation of their tram and train services is not privatisation; it's an outsourcing measure, and the state government will retain control of services, including setting fares. I would also note that, at present, all other jurisdictions outsource the provision of tram services. The Marshall government, like the Morrison government, is focused on delivering better infrastructure and services for all Australians.


The PRESIDENT: Leave is granted for one minute.

Senator HANSON: One Nation opposes the privatisation of taxpayers’ assets. The motion here relates to the South Australian Liberal government. It is not the place of the Senate to discuss whether there should be privatisation in a state government. Therefore I will be abstaining from this vote.

The PRESIDENT: Senator Wong, are you seeking the call?

Senator Wong: Obviously, the opposition is supporting the motion, but I did wonder if Senator Duniam might explain the difference between privatising and outsourcing!

The PRESIDENT: I will put the motion.

Question agreed to.
COMMITTEES

Public's Right to Know and Press Freedom Joint Select Committee

Appointment

Senator KENEALLY (New South Wales—Deputy Leader of the Opposition in the Senate) (12:41): I move:

(1) That a joint select committee, to be known as the Joint Select Committee into the Public's Right to Know and Press Freedom, be established to inquire into and report on the appropriate balance between the public's right to know, the freedom of the press and Australia's national security, with particular reference to:

(a) disclosure and public reporting of sensitive and classified information, including the appropriate regime for warrants regarding journalists and media organisations and adequacy of existing legislation;

(b) the whistleblower protection regime and protections for public sector employees;

(c) the adequacy of referral practices of the Australian Government in relation to leaks of sensitive and classified information;

(d) appropriate culture, practice and leadership for Government and senior public employees;

(e) mechanisms to ensure that the Australian Federal Police have sufficient independence to effectively and impartially carry out their investigatory and law enforcement responsibilities in relation to politically sensitive matters; and

(f) any related matters.

(2) That the committee should provide an interim report by 19 September 2019 and a final report by 28 November 2019.

(3) That the committee consist of 8 members of the House of Representatives and 8 senators, as follows:

(a) 3 members of the House of Representatives nominated by the Government Whip or Whips;

(b) 4 members of the House of Representatives nominated by the Opposition Whip or Whips;

(c) 1 member of the House of Representatives nominated by the Member for Clark;

(d) 3 senators nominated by the Leader of the Government in the Senate;

(e) 3 senators nominated by the Leader of the Opposition in the Senate;

(f) 1 senator nominated by the Leader of the Australian Greens; and

(g) 1 senator from Centre Alliance.

(4) That:

(a) participating members may be appointed to the committee on the nomination of the Government Whip in the House of Representatives, the Opposition Whip in the House of Representatives, the Leader of the Government in the Senate, the Leader of the Opposition in the Senate or any minority party or independent senator or member of the House of Representatives; and

(b) participating members may participate in hearings of evidence and deliberations of the committee, and have all the rights of members of the committee, but may not vote on any questions before the committee.

(5) That 3 members of the committee constitute a quorum of the committee, provided that in a deliberative meeting the quorum shall include one Government member of either House and one non-Government member of either House.
(6) That every nomination of a member of the committee be notified in writing to the President of the Senate and the Speaker of the House of Representatives.

(7) That the members of the committee hold office as a joint select committee until the House of Representatives is dissolved or expires by effluxion of time.

(8) That the committee may proceed to the dispatch of business notwithstanding that not all members have been duly nominated and appointed and notwithstanding any vacancy.

(9) That the committee elect as chair one of the members nominated by the Opposition Whip in the House of Representatives or the Leader of the Opposition in the Senate, and as deputy chair one of the members nominated by Government Whip in the House of Representatives or the Leader of the Government in the Senate.

(10) That the deputy chair shall act chair when the chair is absent from a meeting of the committee or the position of chair is temporarily vacant.

(11) That, in the event of an equality of voting, the chair, or the deputy chair when acting as chair, have a casting vote.

(12) That the committee have power to appoint subcommittees consisting of 3 or more of its members, and to refer to any such subcommittee any of the matters which the committee is empowered to consider.

(13) That the committee and any subcommittee have power to send for and examine persons and documents, to move from place to place, to sit in public or in private, notwithstanding any prorogation of the Parliament, and have leave to report from time to time its proceedings and the evidence taken and such interim recommendations as it may deem fit.

(14) That the committee be provided with all necessary staff, facilities and resources and be empowered to appoint persons with specialist knowledge for the purposes of the committee with the approval of the President of the Senate and the Speaker of the House of Representatives.

(15) That the committee be empowered to print from day to day such papers and evidence as may be ordered by it, and a daily Hansard be published of such proceedings as take place in public.

(16) That the committee have power to adjourn from time to time and to sit during any adjournment of the Senate and the House of Representatives.

(17) That a message be sent to the House of Representatives seeking its concurrence in this resolution.

I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator KENEALLY: In a democracy, balancing the public's right to know and protecting national security is a key responsibility of the government. Over the past six years a culture of secrecy has pervaded this government. The culture of secrecy is now undermining Australians' right to know and freedom of the press. The government have responded to the AFP raids in June with complete silence, and now wish to dictate the terms of a limited and restricted inquiry into their own mismanagement and apathy. If the government refuse to support this motion, they should stand up and explain their silence over the last three weeks and why they have failed in their guardianship of one of our most fundamental democratic rights.

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (12:42): I seek leave to make a brief statement.
The PRESIDENT: Leave is granted for one minute.

**Senator CORMANN:** The government will be opposing this motion. The government is committed to ensuring our democracy strikes the right balance between a free press and keeping Australians safe—two fundamental tenets of our democracy. That is why the Prime Minister has already written to the Leader of the Opposition, outlining an inquiry into law enforcement and intelligence powers on the freedom of the press. The government considers it appropriate that the Parliamentary Joint Committee on Intelligence and Security conduct that inquiry. The PJCIS is well placed to conduct that inquiry, given its responsibility for and experience in handling issues concerning national security information and legislation. We call on all senators to join the government in opposing this motion.

**Senator McKIM** (Tasmania) (12:42): I seek leave to make a one-minute statement.

The PRESIDENT: Leave is granted for one minute.

**Senator McKIM:** An inquiry into this matter by the Parliamentary Joint Committee on Intelligence and Security is nowhere near good enough. It is a closed shop—owned and run in secret behind closed doors by the major political parties in this place. The Parliamentary Joint Committee on Intelligence and Security is actually part of the reason we have ended up in the mess that we are in, where the AFP is raiding media organisations in this country with a chilling effect on reporting and the core duty of the media to hold power to account. This inquiry has got to be done openly, it's got to be done transparently and it's got to be done in the full view of the Australian people so that they can have confidence that we're getting to the bottom of the significant malaise in this country, where rights are continually being eroded by scaring Australians and trying to make them understand that, in fact, their rights need to be given away and eroded. This inquiry needs to be done openly, and we will not support it being done by the PJCIS.

**Senator HANSON** (Queensland) (12:44): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

**Senator HANSON:** I can understand wanting accountability on an issue but this notice of motion, it appears to me, is basically a stitch-up. You want accountability? At no time whatsoever has One Nation been approached to be part of the committee. You've actually done a stitch-up here by putting who you want on that committee. I don't believe it's going to be fair and balanced. Therefore I will not be supporting this motion.

**Senator PATRICK** (South Australia) (12:44): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

**Senator PATRICK:** The media is such an important element of our democracy. They couple citizens to our government; they inform the citizenry. We had some tremendous or very significant events take place a month ago that most people were quite disturbed about. We understand that national security is important, but national security is a means to an end, and that end is to protect democracy. Without a free press, there is no democracy.

The PRESIDENT: The question is that motion No. 19 in the name of Senator Keneally be agreed to.

The Senate divided. [12:49]

(The President—Senator Ryan)
Thursday, 4 July 2019

Ayes ...................... 34
Noes ...................... 34
Majority ............... 0

AYES

Ayers, T
Brown, CL
Chisholm, A
Di Natale, R
Faruqi, M
Gallagher, KR
Griff, S
Keneally, KK
Lines, S
McCarthy, M
O’Neill, DM
Pratt, LC
Sheldon, A
Steele-John, J
Urquhart, AE (teller)
Waters, LJ
Whish-Wilson, PS

Bilyk, CL
Carr, KJ
Ciccone, R
Dodson, P
Gallacher, AM
Green, N
Hanson-Young, SC
Kitching, K
McAllister, J
McKim, NJ
Patrick, RL
Rice, J
Siewert, R
Sterle, G
Walsh, J
Watt, M

NOES

Antic, A
Bernardi, C
Bragg, A J
Canavan, MJ
Colbeck, R
Davey, P
Fawcett, DJ
Fifield, MP
Hume, J
McDonald, S
McKenzie, B
O’Sullivan, M
Payne, MA
Reynolds, L
Ryan, SM
Seselja, Z
Stoker, AJ

Askew, W
Birmingham, SJ
Brockman, S
Chandler, C
Cormann, M
Duniam, J
Fierravanti-Wells, C
Hughes, H
Lambie, J
McGrath, J
McMahon, S
Paterson, J
Rennie, G
Ruston, A
Scarr, P
Smith, DA (teller)
Van, D

PAIRS

Farrell, D
Polley, H
Smith, M

Abetz, E
Cash, MC
Sinodinos, A

Question negatived.
Effectiveness of the Australian Government’s Northern Australia Agenda Select Committee
Appointment

Senator WATT (Queensland) (12:52): I move:

(1) That a select committee, to be known as the Select Committee on the Effectiveness of the Australian Government’s Northern Australia Agenda, be established to inquire into and report on the effectiveness of the objectives, design, implementation and evaluation of the Australian Government’s Northern Australia agenda, with particular reference to:

(a) facilitation of public and private investment in infrastructure and economic development;
(b) economic and social benefit arising from that investment for Northern Australians, in particular First Nations people;
(c) funding models and policy measures that capture the full value of existing and emerging industries;
(d) measures taken to develop an appropriately skilled workforce;
(e) emerging national and international trends and their impact on the Northern Australia agenda; and
(f) any related matters.

(2) That the committee present its final report on or before the final sitting day of 2020.

(3) That the committee consist of 7 senators, as follows:

(a) 2 nominated by the Leader of the Government in the Senate;
(b) 3 nominated by the Leader of the Opposition in the Senate;
(c) 1 nominated by minor party and independent senators; and
(d) 1 nominated by the Leader of the Australian Greens.

(4) That:

(a) participating members may be appointed to the committee on the nomination of the Leader of the Government in the Senate, the Leader of the Opposition in the Senate or any minority party or independent senator; and

(b) participating members may participate in hearings of evidence and deliberations of the committee, and have all the rights of members of the committee, but may not vote on any questions before the committee.

(5) That 4 members of the committee constitute a quorum of the committee.

(6) That the committee may proceed to the dispatch of business notwithstanding that not all members have been duly nominated and appointed and notwithstanding any vacancy.

(7) That the committee elect as chair a member nominated by the Leader of the Opposition in the Senate and as deputy chair a member nominated by the committee.

(8) That the deputy chair shall act chair when the chair is absent from a meeting of the committee or the position of chair is temporarily vacant.

(9) That, in the event of an equality of voting, the chair, or the deputy chair when acting as chair, have a casting vote.

(10) That the committee have power to appoint subcommittees consisting of 2 or more of its members, and to refer to any such subcommittee any of the matters which the committee is empowered to consider.
(11) That the committee and any subcommittee have power to send for and examine persons and documents, to move from place to place, to sit in public or in private, notwithstanding any prorogation of the Parliament or dissolution of the House of Representatives, and have leave to report from time to time its proceedings and the evidence taken and such interim recommendations as it may deem fit.

(12) That the committee be provided with all necessary staff, facilities and resources and be empowered to appoint persons with specialist knowledge for the purposes of the committee with the approval of the President of the Senate.

(13) That the committee be empowered to print from day to day such papers and evidence as may be ordered by it, and a daily Hansard be published of such proceedings as take place in public.

Senator DUNIAM (Tasmania—Assistant Minister for Forestry and Fisheries and Assistant Minister for Regional Tourism) (12:52): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator DUNIAM: The government opposes the formation of this committee proposed to be led by a Labor-Green alliance. The Joint Standing Committee on Northern Australia is already an adequate forum to explore these issues and is expected to be resumed for this parliament. The duplication is only additional work for the committee staff.

Question agreed to.

DOCUMENTS

Independent Health Advice Panel
Order for the Production of Documents

Senator KENEALLY (New South Wales—Deputy Leader of the Opposition in the Senate) (12:53): I move:

That there be laid on the table by the Minister representing the Minister for Home Affairs, by no later than 12 pm on 23 July 2019, the report prepared by the Independent Health Advice Panel and the Minister’s summary and response, in accordance with Section 199E of the Migration Act 1958.

Question agreed to.

MOTIONS

Mining

Senator MCDONALD (Queensland) (12:54): I ask that the name of Senator Stoker be added to this motion. I, and also on behalf of Senators McGrath and Stoker, move:

That the Senate supports the development of the Carmichael Mine project and the opening of the Galilee Basin.

Senator DUNIAM (Tasmania—Assistant Minister for Forestry and Fisheries and Assistant Minister for Regional Tourism) (12:54): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator DUNIAM: The government supports this motion and continues to support the opening of the Galilee Basin and the thousands of jobs it will deliver for Central and Northern Queensland.

Senator WATERS (Queensland) (12:54): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.
Senator WATERS: The Greens will not be supporting this motion, because the Carmichael mine is not the way to deliver jobs for regional Queensland. What it will deliver is more support to a tax-dodging multinational coal company who have said that they want to automate this project from pit to port, so more robots. And if there are any workers then they'll be suffering from black lung disease, which is back in Queensland, as you well know, and is starting to kill coalmining workers. That's not to mention the fact that half of the reef has already been killed from climate change, which is driven and turbocharged by coal.

We can have jobs in the regions, we can have prosperity, we can keep the lights on and we can save the planet if we actually fund renewable energy projects rather than coal projects. It is disappointing to see this old drum being banged by a party that purports to represent farmers, who are having their livelihoods and their water trashed by fossil fuels.

Senator ROBERTS (Queensland) (12:55): I seek leave to make a statement.

The PRESIDENT: Leave is granted for one minute.

Senator ROBERTS: I am appalled that the Greens would take this opportunity to deride the coalminers of Queensland, New South Wales and, indeed, the world. Black lung is a function of poor management, not a function of coal. We need to make sure that the truth is being told in this chamber, because black lung will only be eradicated again if the truth is told and the science is followed.

The PRESIDENT: The question is that motion No. 23 be agreed to.

The Senate divided. [12:57]

(The President—Senator Ryan)

Ayes .................... 56
Noes .................... 9
Majority ............... 47

AYES

Abetz, E
Askew, W
Bilyk, CL
Brown, CL
Carr, KJ
Chisholm, A
Colbeck, R
Dodson, P
Fawcett, DJ
Fifield, MP
Gallagher, KR
Hanson, P
Hume, J
Kitching, K
Lines, S
McCarthy, M
McGrath, J
McMahon, S
O'Sullivan, M
Payne, MA
Renwick, G
Roberts, M

Antic, A
Bernardi, C
Bragg, A J
Canavan, MJ
Chandler, C
Ciccone, R
Davey, P
Duniam, J
Fierravanti-Wells, C
Gallacher, AM
Green, N
Hughes, H
Keneally, KK
Lambie, J
McAllister, J
McDonald, S
McKenzie, B
O'Neill, DM
Paterson, J
Pratt, LC
Reynolds, L
Ruston, A

CHAMBER
Thursday, 4 July 2019

SENATE

AYES

Ryan, SM
Seselja, Z
Sinodinos, A
Sterle, G
Urquhart, AE
Walsh, J

Scarr, P
Sheldon, A
Smith, DA (teller)
Stoker, AJ
Van, D
Watt, M

NOES

Di Natale, R
Hanson-Young, SC
Rice, J
Steele-John, J
Whish-Wilson, PS

Faruqi, M
McKim, NJ
Siewert, R (teller)
Waters, LJ

Question agreed to.

Australian Academy of Science: 65th Anniversary

Senator KIM CARR (Victoria) (13:01): I move:

That the Senate—

(a) notes that, on 6 May 2019, the Australian Academy of Science (the Academy) celebrated the 65th anniversary of its creation by Royal Charter;
(b) congratulates the Academy on 65 years of service to the nation;
(c) acknowledges that, since its formation in 1954, by 23 of Australia's most eminent scientists, the Academy has celebrated scientific excellence and supported greater understanding of science by the Australian people;
(d) recognises the unique role the Academy plays in promoting international engagement and research collaboration and investing in the early and mid-career researchers, as well as serving as a source of independent and authoritative scientific advice to the Parliament and Commonwealth on Australia's future challenges and opportunities; and
(e) also congratulates the Academy on celebrating the 60th anniversary of the construction of the iconic Shine Dome, one of Australia's most imaginative and well-known buildings.

Question agreed to.

Australian Academy of the Humanities: 50th Anniversary

Senator KIM CARR (Victoria) (13:01): I move:

That the Senate—

(a) notes that 25 June 2019 marks the 50th anniversary since the creation of the Australian Academy of the Humanities by Royal Charter;
(b) congratulates the Academy of the Humanities on 50 years of service to the nation;
(c) acknowledges that, from its earliest days, the Academy of the Humanities has championed the contribution that the arts, culture, music, history, language and literature, philosophy and archaeology make to our national life; and
(d) recognises the unique role the Academy of the Humanities plays in promoting international engagement and research collaboration and investing in the next generation of humanities researchers,
as well as serving as a source of independent and authoritative advice to ensure that ethical, historical and cultural perspectives inform discussions regarding Australia's future challenges and opportunities.

Question agreed to.

**DOCUMENTS**

**Ministerial Conduct**

**Order for the Production of Documents**

**Senator GALLAGHER** (Australian Capital Territory—Shadow Minister for Finance, Shadow Minister for the Public Service and Manager of Opposition Business in the Senate) (13:01): At the request of Senator Wong, I seek leave to amend general business notice of motion No. 26, relating to an order for the production of documents.

Leave granted.

**Senator GALLAGHER: I move:**

(1) That the Senate—

(a) notes:

(i) that Mr Christopher Pyne served as the Minister for Defence Industry from 19 July 2016 to 28 August 2018, and as the Minister for Defence from 28 August 2018 to 11 April 2019,

(ii) that Mr Pyne has taken employment with consulting firm EY,

(iii) Mr Pyne's statement that he is "looking forward to providing strategic advice to EY, as the firm looks to expand its footprint in the defence industry", and

(iv) EY's statement that Mr Pyne will help build EY's defence-related business in South Australia and elsewhere, including helping to "lead conversations about what all states need to do to meet the challenges and opportunities this defence investment will bring";

(b) endorses:

(i) Senator Birmingham's statement that the Government expects that "everybody should adhere to that Code of Conduct and that includes Christopher", and

(ii) Senator Abetz's statement on Mr Pyne's conduct that "people do expect a standard from the ministers and then former ministers to ensure that which they have learnt and gleaned from their ministerial roles are not exported into other roles from which they can potentially gain financially";

(c) further notes:

(i) that Ms Julie Bishop served as the Minister for Foreign Affairs from 18 September 2013 to 28 August 2018,

(ii) that Ms Bishop has now been appointed to the board of Palladium, a global impact investing and consultancy group which was awarded more than half a billion dollars in government contracts while Ms Bishop was the Minister for Foreign Affairs, and

(iii) Palladium's statement that "Ms Bishop brings a network of global contacts, years of public service experience and background in driving innovation in international development";

(d) calls on the Prime Minister to take appropriate action; and

(e) orders that there be laid on the table by the Minister representing the Prime Minister, by no later than 10 am on 22 July 2019, a letter from the Prime Minister outlining in detail:

(i) when Mr Morrison was first made aware of the actions of Mr Pyne or Ms Bishop,

(ii) what action the Prime Minister has taken since being made aware, and

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**CHAMBER**
(iii) how the Prime Minister's Statement of Ministerial Standards has not been breached or alternatively what arrangements have been put in place to ensure they are not breached.

(2) That, at 12.20 pm on 22 July 2019, before government business is called on, a senator may ask the relevant minister for an explanation of the response to the order contained in paragraph (f) or for an explanation of the failure to respond, and:

(a) the senator may, at the conclusion of the explanation, move without notice—That the Senate take note of the explanation; or

(b) in the event that the minister does not respond to the order or provide an explanation, the senator may, without notice, move a motion in relation to the minister's failure to provide either a response or an explanation.

Question agreed to.

MOTIONS

Energy

Senator PRATT (Western Australia) (13:03): I move:

(a) notes that:

(i) since 2013, gas prices for manufacturers have skyrocketed, increasing by up to four times their levels in 2013,

(ii) according to the Australian Competition and Consumer Commission, spiralling gas prices have resulted in three manufacturers closing down and threaten the viability of many more businesses,

(iii) Australia has become the world’s largest gas exporter while our own businesses face difficulties in securing affordable gas supplies,

(iv) the Federal Government continues to refuse to bring big gas companies to heel by pulling the trigger on gas export controls,

(v) under Prime Minister Morrison, power prices have continued to skyrocket, with wholesale power price futures contracts up by 33% since former Prime Minister, Mr Malcolm Turnbull was forced out of The Lodge, and

(vi) Prime Minister Morrison’s election promise to reduce wholesale power prices to $70/mwh by 2021 would only bring prices back to the levels seen under his predecessor, Mr Turnbull; and

(b) calls on the Federal Government to take real action to reduce the cost of energy in Australia by:

(i) bringing big gas companies to heel by finally pulling the trigger on gas export controls and ensuring Australian users have access to affordable Australian gas,

(ii) guaranteeing a reduction in gas prices for Australian businesses to levels that can sustain competitive Australian manufacturing, as well as ensuring ample gas supply for Australian users, and

(iii) delivering a national energy policy that will end investment uncertainty and deliver a modern energy system including cheaper, reliable and clean power.

Senator DUNIAM (Tasmania—Assistant Minister for Forestry and Fisheries and Assistant Minister for Regional Tourism) (13:03): Mr President, I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator DUNIAM: The government has taken action to ensure that Australians have affordable gas. We were the first government to establish a gas export control framework. The Prime Minister has renewed the agreement with the east coast LNG exporters to ensure gas
for the domestic market. Both AEMO and the ACCC found that these actions reduced gas prices and ensured supply. Since early 2017, the spot price of gas in eastern Australia has fallen by 20 per cent. The only way to ensure long-term supply is to develop new gas reserves. It was the federal Labor government that allowed gas export projects in Gladstone to go ahead. Labor’s then energy spokesperson, Mr Mark Butler, admitted that everyone knew there was going to be an impact on prices and yet they did nothing.

Senator WATERS (Queensland) (13:04): by leave—I move an amendment to the motion, as circulated in my name in the chamber:

After paragraph (a)(i), add:

(iia) Government is giving this gas away with no royalties and missing out on $90 billion in revenue with gas companies sitting on $324 billion in PRRT credits before they have to pay a cent in tax and that neither the government or opposition want to change this cosy set up or threaten future political donations,

Omit subparagraph (a)(iii), substitute:

(iii) Australia has become the world’s largest gas exporter, thanks to environmental approvals issued by Labor governments, while our own businesses face difficulties in securing affordable gas supplies;

After subparagraph (a)(vi), insert:

(viia) gas exports increases pressure on domestic gas extraction, placing farmers’ land and water under sustained threat from fracking for unconventional gas, and

(viib) new gas production will increase global emissions 25% more than new coal projects and the industry threatens our ability to stay below 1.5 degrees of warming,

Omit paragraph (b), substitute:

(b) calls on the Government to take real action to reduce the cost of energy in Australia by:

(i) bringing big gas and fossil fuel companies to heel, supporting the transition to renewable energy and ensuring Australian users have access to affordable, clean, renewable energy;

(ii) guaranteeing a reduction in energy prices for Australian businesses by subsidising renewable energy developments to levels that can sustain competitive Australian manufacturing, as well as ensuring ample clean energy supply for Australian users; and

(iii) delivering a national energy policy that will end investment uncertainty and deliver a modern energy system including cheaper, reliable and clean power.

The PRESIDENT: The question is that the amendment moved by Senator Waters to the motion moved by Senator Pratt be agreed to.

The Senate divided. [13:06]

(The President—Senator Ryan)

Ayes .................. 9
Noes .................. 55
Majority ............. 46

AYES

Di Natale, R
Hanson-Young, SC
Rice, J
Steele-John, J

Faruqi, M
McKim, NJ
Siewert, R (teller)
Waters, LJ

CHAMBER
Question negatived.

The President (13:10): The question now is that motion No. 27 in the name of Senator Pratt be agreed to.

The Senate divided. [13:11]

(The President—Senator Ryan)

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

AYES

Ayers, T Bilyk, CL
Brown, CL Carr, KJ
Chisholm, A Ceccone, R
Dodson, P Gallagher, AM
Gallagher, KR Green, N
Griff, S Hanson, P
Keneally, KK Kitching, K

CHAMBER
Question negatived.

**Ministerial Conduct**

**Senator WATERS** (Queensland) (13:14): I ask that general business notice of motion No. 30 standing in my name for today, relating to the potential breach of the ministerial standards by Ministers Taylor and Frydenberg, be taken as a formal motion.

**The PRESIDENT:** There is no objection.

**Senator GALLAGHER** (Australian Capital Territory—Shadow Minister for Finance, Shadow Minister for the Public Service and Manager of Opposition Business in the Senate) (13:15): I seek leave to move an amendment to general business notice of motion No. 30 standing in the name of Senator Waters, relating to the attendance of a minister.

Leave granted.
Senator GALLAGHER: I move:

In paragraph (1)(d), omit “12.20 pm on 22 July 2019”, substitute “12.00 pm on 23 July 2019”.

This recognises that another general business notice of motion sets a time for the minister to attend the Senate on another matter at the same time as is proposed by general business notice of motion No. 30. So this amendment seeks to simply change the time for the explanation to the following day at the start of business.

Question agreed to.

Senator WATERS (Queensland) (13:16): I move the motion as amended:

(1) That the Senate—

(a) notes that current and previous Prime Ministers' Statements of Ministerial Standards clearly provide that ministers must act with honesty and integrity in all their activities, in particular, ministers must:

(i) make arrangements to avoid conflicts arising from their private interests, also having regard to interests held by family members (paragraphs 2.9 and 2.17), and

(ii) not use public office for private purposes (paragraph 2.2);

(b) further notes with deep concern recent reports in The Guardian that:

(i) while Jam Land Pty Ltd, a company part-owned by Mr Angus Taylor MP and his brother, was under investigation by the Department of the Environment for alleged unlawful destruction of critically-endangered grasslands, Minister Taylor met with Department of the Environment staff,

(ii) an investigator from the office responsible for investigating the clearing allegations attended at least one meeting between Minister Taylor and departmental staff, and

(iii) the former Minister for the Environment, Mr Josh Frydenberg, was approached by Mr Angus Taylor in relation to the critically-endangered listing of the grassland species, and Minister Frydenberg subsequently sought advice about his powers to amend the critically-endangered listing;

(c) is of the opinion that there are serious questions about whether this conduct complies with the Ministerial Standards; and

(d) requires that the Leader of the Government in the Senate (Senator Cormann) attend the Senate at 12.00 pm on 23 July 2019 to explain, for a period not longer than 10 minutes:

(i) the conduct of Ministers Taylor and Frydenberg and how it is not a breach of the Ministerial Standards, and

(ii) whether any investigation has been, or will be, undertaken into the conduct of Ministers Taylor and Frydenberg.

(2) That, at the conclusion of the Minister's explanation, any senator may, without notice, move a motion to take note of the Minister's explanation.

(3) That any motion under paragraph (2) may be debated for no longer than 1 hour, and have precedence over all government business until determined, and senators may speak to the motion for not more than 10 minutes

The PRESIDENT: The question is that general business notice of motion No. 30 moved by Senator Waters, as amended, be agreed to.

The Senate divided. [13:17]

(The President—Senator Ryan)

Ayes .................... 36
Noes .................... 32
Majority................4

AYES

Ayers, T                          Bilyk, CL
Brown, CL                        Carr, KJ
Chisholm, A                       Ciccone, R
Di Natale, R                      Dodson, P
Faruqi, M                        Gallagher, AM
Gallagher, KR                     Green, N
Griff, S                         Hanson-Young, SC
Keneally, KK                      Kitts, K
Lambie, J                       Lines, S
McAllister, J                     McCarthy, M
McKim, NJ                        O’Neill, DM
Patrick, RL                      Pratt, LC
Rice, J                          Roberts, M
Sheldon, A                       Siuert, R
Steele-John, J                    Stele, G
Urquhart, AE (teller)             Walsh, J
Waters, LJ                        Watt, M
Whish-Wilson, PS                  Wong, P

NOES

Abetz, E                           Antic, A
Askew, W                           Bernardi, C
Birmingham, SJ                     Bragg, A J
Brockman, S                        Canavan, MJ
Chandler, C                        Colbeck, R
Cormann, M                        Davey, P
Duniam, J                          Fawcett, DJ
Fifield, MP                        Hughes, H
Hume, J                            McDonald, S
McGrath, J                         McMahon, S
O’Sullivan, M                      Paterson, J
Payne, MA                         Rennick, G
Reynolds, L                        Ruston, A
Ryan, SM                          Scarr, P
Seselja, Z                        Smith, DA (teller)
Stoker, AJ                         Van, D

PAIRS

Farrell, D                        F ierravanti-Wells, C
Polley, H                          Cash, MC
Smith, M                           Sinodinos, A

Question agreed to.

Pensions and Benefits

Senator DODSON (Western Australia) (13:19): I move:

That the Senate—

(a) notes that:
(i) deeming rates determine how much the Federal Government assumes pensioners earn on their savings, and are used to calculate how much pension a person receives,
(ii) deeming rates are set by the Government,
(iii) the Reserve Bank has cut interest rates five times since 2015, but in this time the Government has not adjusted the deeming rates at all,
(iv) the cash rate is now just 1%, but the Government has kept the deeming rates at up to 3.25%,
(v) secure investments, like term deposits, are not providing returns in line with the deeming rate,
(vi) low interest rates and high deeming rates mean pensioners' budgets are being hit twice, with lower earnings on savings and reduced pension payments,
(vii) up to 627,000 age pensioners, who are on a part-pension because of the income test, are impacted by the Government's refusal to reduce deeming rates, and
(viii) the Treasurer has said banks should pass on interest rate cuts to mortgage holders in full, but the Government is refusing to do the same by reducing the deeming rates for pensioners; and
(b) calls on the Federal Government to urgently reduce the deeming rates and stop counting income that many pensioners simply are not earning.

Senator DUNIAM (Tasmania—Assistant Minister for Forestry and Fisheries and Assistant Minister for Regional Tourism) (13:20): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator DUNIAM: There is an appropriate process through which changes to deeming rates are considered, and this process is currently underway.

Question agreed to.

NOTICES
Withdrawal

Senator WATERS (Queensland) (13:20): I withdraw general business notice of motion No. 29 standing in my name for today relating to restoration of bills to the Notice Paper.

BILLS

Treasury Laws Amendment (Tax Relief So Working Australians Keep More Of Their Money) Bill 2019

Second Reading

Consideration resumed of the motion:

That this bill be now read a second time.

to which the following amendment was moved:

At the end of the motion, add:

"; but the Senate is of the opinion that:

(a) measures that begin in the 2024-25 financial year should be removed from the bill because it is not responsible to sign up to $95 billion of tax cuts that do not come into effect for five years; and
(b) the Opposition's plan would support the economy now, providing income tax relief to every Australian worker from the 2019-20 financial year and bringing forward infrastructure investment."

Senator KIM CARR (Victoria) (13:21): The Reserve Bank has called for a stimulus package from this government to counter what many fear is a looming economic slowdown.
Some have claimed that the Treasury Laws Amendment (Tax Relief So Working Australians Keep More Of Their Money) Bill 2019 will act as a stimulus. I think that is difficult to see as the bulk of these measures, particularly the great bulk of the costings in excess of $90 billion, will not come in for another six years. Little attention, however, has been paid to the causes of the slowdown in the global economy. I intend to go further by speaking about what has been missing from the nation's conversation for some time. I refer here to the trade war that's been raging between our principal strategic ally, the United States, and our principal trading partner, the People's Republic of China. There appears to be a kind of temporary truce, or it is said that there is, but the same thing was said in Argentina at the previous G20 meeting.

In fact, what we really know is that the President of the United States has launched his re-election campaign. What we see here is a circumstance where the United States party-political interests are being pursued, which is a very different thing from the national interests of Australia. We don't have any indication, given the conversations that followed the recent G20 meeting, that there's any permanent resolution of the major differences between Washington and Beijing. Rightly, this is a dispute that affects us much more sharply than the questions around these particular tax cuts, which we won't see the benefits of for six years.

We know that both President Trump and President Xi have made it clear that they don't feel bound by the rules of the international trading system; they don't see that the international trading system built up by Bretton Woods is applicable anymore. So, it's obviously the end of an era and the beginning of much less certainty about the future. It's strange that in a trade-dependent country like Australia there has been so little attention to or public debate about the consequence of that measure, and it's quite clear that we as a nation are deeply embroiled in that trade war.

When we look at the fine print of the conversations that have followed from Osaka, we see that the Australian farmers may well be the victim of so-called concessions that Americans have been seeking. We know from the comments made by various trade officials that the Chinese have agreed to increase imports of American agricultural products. We've also repeatedly heard that the Americans are upset about the tariff exemptions of our steel and aluminium. Because of the tariff exemptions that have been granted for those companies, it's a matter of some particular significance. We know that Australian companies are now being asked to moderate their sales to appease American anxieties. We know there are renewed threats to impose tariffs on Australian production.

We also know that Australian education exports to China are suffering. The Department of Home Affairs notified universities in April that the number of visa applications for Chinese students was no longer increasing. Vice-chancellors have on a number of occasions expressed the view to me that they hope the government knows what it's doing. Australian tourist figures point to that industry also being a casualty of the tensions. Chinese overseas travel intentions reported by the UBS Investment Bank show a sharp drop in the number of people planning to visit Australia. Official data shows that China's imports of Australian coking coal in May is down by 49.3 per cent on the previous month. In February eight ships carrying Australian thermal coal worth $120 million were kept offshore, off Chinese ports. We now know that it takes three times as long to get customs and unloading clearances for Australian coal as it did previously.
Many believe that this is retaliation for Australia's exclusion of the Chinese telecommunications company Huawei from supplying equipment for the 5G mobile network. Huawei is the world's No. 1 telecommunications supplier and No. 2 telephone manufacturer. It's become a potent symbol of everything that is at stake in this trade war—a symbol of China's pride and its advancing manufacturing capabilities, a symbol of US fears about emerging Chinese technological and economic dominance. Huawei has become an object of deep suspicion in some Western intelligence agencies—a suspicion that's led to the ban imposed by the Turnbull government in terms of the 5G network in this country.

However, President Trump has several times suggested that Huawei's access to US markets is in fact a security threat. The US commerce department has placed Huawei on a so-called enemy list of firms that US companies cannot do business with, without official permission—which of course amounts to a prohibition on the export of US technology to Huawei. This is a huge threat to Huawei's business, for no technology firm is entirely self-sufficient. The supply chain used by Huawei and its Western competitors is highly specialised but globally connected. The restrictions placed on Huawei threaten the business of those firms too, of course. President Trump said at the G20 that Huawei, however, would be able to resume dealing with some US companies but it would remain on the 'entities list'. President Trump also said that he indicated that he would be willing to make concessions on Huawei in pursuit of a—

**The ACTING DEPUTY PRESIDENT (Senator Sterle):** Sorry, Senator Carr. A point of order, Senator Whish-Wilson?

**Senator Whish-Wilson:** On a point of order: I have enormous respect for Senator Carr so I don't ask this lightly, but my point of order is on whether this bill we're debating at the moment is the Treasury Laws Amendment (Tax Relief So Working Australians Keep More Of Their Money) Bill 2019.

**The ACTING DEPUTY PRESIDENT:** There is no point of order. Second readings are very wide ranging.

**Senator KIM CARR:** If the senator had actually listened, the whole point of this was to do with the fact that this is a bill to go over six years. It's to do with the future of this country's economic position—if you had been listening, Senator, you would have appreciated the fundamental problem of dealing with a global downturn rather than trying to play these games with a six-year delay in a tax measure—which is a much more serious question for us to deal with. Instead of playing, what I might say are, semantic procedural points, I suggest you might pay a little more attention to what's actually said.

I might also draw your attention to the inconsistency between saying that one of our major electronics companies is, on the one hand, a security threat and, on the other hand, that concessions can be made if the right trade deal can be made in the interests of the United States, irrespective of the consequences for everyone else, and is a matter that does require attention.

What we have are, of course, dual messages that are being presented to us. What we have is the American President saying that it's possible Huawei would be included in a trade deal, and it was said 'a vital deal'. And he told CNBC in May of this year:

I could imagine Huawei being included in some form or some part of it.
He also said:
Huawei is something that is very dangerous.
You look at what they've done from a security standpoint, a military standpoint. Very dangerous.
The claims that are being made about the American trade interests and the security interests are quite incompatible. They make no sense at all. Mr Trump, of course, would know that it can't be credible for the Chinese to stop spying any more than it's credible for the United States to promise that they won't do the same. The President's remarks make sense only if they're interpreted in an entirely different way. If this security threat is a bluff, it's an attempt to put pressure on the Chinese to relent in what is an escalating trade war. And it's important to understand what the consequence would be.

What we now have is a situation where the Chinese are developing independent operating systems for their technologies, and we know that the consequence of that may well be profound. This is because the goods that are being produced by American companies may well be excluded. What we saw last weekend in Osaka—Mr Trump's announcement of a partial relaxation on these issues—suggests to me that if we are to talk about a global tech trade war we need to not get that confused with the bluff and bluster that's been presented as party-political advantage by the United States, particularly when it has such enormous consequences for our national interests.

What we have, of course, is a rules based international order, which has traditionally been guaranteed by the United States. That's now being abandoned. What we now have to face is the fact that Australia has to develop a much more independent position on these matters.

We also have to face the fact that, when we're talking about the long-term interests of this country, there has to be a serious public debate about what the options include. We have to have a much deeper understanding of the implications of this dispute, this antagonism, between our principal strategic ally and our principal trading partner. It's something that far too many people in this country have shied away from. In the election campaign this issue surfaced only once, with some colourful language from the former Prime Minister Paul Keating. I think Mr Keating himself has now said that the language he used to describe our intelligence chief was a bit unfortunate. But the deeper point he made, I think, was absolutely correct. What is the consequence of us permanently alienating the Chinese? What happens in a trade war between China and Australia? What happens in terms of the international economic position? What are the consequences for the living standards of the people of this country? That's something that we need to consider and have a proper discussion about.

Our position is not to be subservient to any country, whether it be the People's Republic of China or the United States. Certainly it's not our position to be subservient to the demands of the United States President, who is seeking re-election and acting in a manner consistent with a politician seeking re-election rather than developing the strategic interests of his own country. I'm not suggesting that we don't pursue the banning of Huawei. What I am saying is that we are entitled to know what the reasons are. We're entitled to know what the consequences are in terms of that engagement. If we're going to argue—as I see happening too often in this country—that we can't deal with any particular Chinese company because the senior members of that company are members of the Chinese Communist Party or they have some former military connection, then I think we have to have a deeper understanding of the way in which the economy and government work. I am not calling for the ban on Huawei to
be withdrawn. I am calling for it to be properly explained. This is a matter that ought to be the
subject of proper national debate.

There's a delicate line for Australia to walk between the two global economic superpowers,
the United States and the People's Republic of China. The views taken in this region are not
the views taken in Europe. That has to be explained. The views taken by the United States
President at one forum are not the views taken at all forums. That has to be explained. We
have to understand the consequences of ignoring the Chinese understanding of their historic
memory, the memory of the humiliation imposed by Western powers, particularly with regard
to trading matters and the trading concessions of the 19th century. We have to understand that
the Chinese leaders are determined not to repeat the humiliation of that period. Their demands
in regard to lifting people out of poverty have to be appreciated, and we have to understand
the motivations behind the development of the Belt and Road Initiative and the Made in
China 2025 initiative.

If President Trump's rhetoric is any guide, Made in China 2025 is more about keeping
American interests at the forefront in that regard than it is about understanding Chinese
attitudes about the economic development of their country. That's not to say the United States
hasn't had its own 'made in the USA' policy for some time. Our question is: if we are talking
about the long-term interests of this country, what do we say about 'made in Australia'? The
United States has many trade restrictive policies which actually prevent Australians from
participating fully in a rules based global order. Take, for instance, the Jones Act, which
requires that ships procured by the US Navy must be built in the United States, and the
situation we had with Austal, which has had to establish its own enterprise in the United
States—and the extraordinary capacity that has led to, I might say. It's a pity we weren't able
to use them much more effectively here.

The economic policies of previous empires—and I think here about the way in which the
British and the Dutch behaved—appear to me to be what President Trump's drawing on for
what he's doing. Policies include high tariffs, particularly on manufactured goods; a sort of
mercantilism, constraining trade choices for various colonies and associated entities; seeking
to monopolise access to certain markets; forbidding trade to be carried out on foreign ships:
these are characteristics we're seeing re-emerging in the current international debate. The
dispute we're seeing, which has profound consequences for the future development of this
country, is exactly what's emerging in the US-China trade dispute.

There are variations, of course. In 2019, we don't ban goods being carried on foreign ships
as the British imperial navigation acts used to. You do try to ban exchanges in the
cyber-economy, exchanges between your own tech firms and the tech firms of your rivals.
Except in 2019, in an interdependent global economy, it's much harder to do that than in the
past. In 2019, consequences of miscalculations can be catastrophic, because what our
principal ally might want us to do and what our best interests require are not the same thing.
A debate on a taxation bill that looks forward six years needs to be seen in the context of
what's actually going on in the world at the moment.

**Senator WHISH-WILSON** (Tasmania) (13:42): The Treasury Laws Amendment (Tax
Relief So Working Australians Keep More Of Their Money) Bill 2019 that we're debating in
the Senate today is very likely to be the most significant piece of legislation that we will see
in this 46th Parliament. And the bill and the legislation pose a very important question: what

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**Senator WHISH-WILSON** (Tasmania) (13:42): The Treasury Laws Amendment (Tax
Relief So Working Australians Keep More Of Their Money) Bill 2019 that we're debating in
the Senate today is very likely to be the most significant piece of legislation that we will see
in this 46th Parliament. And the bill and the legislation pose a very important question: what
is this parliament's vision, and the vision of every senator within this parliament, for the future of Australia? I've said in here often that budgets are the time for a government to show the Australian people very clearly what their vision for the nation is, what their priorities are. And when we legislate budgets we need a very clear understanding of the priorities of the Australian people, the people who elected us here, and of course our individual beliefs in the future of the nation. And this poses a $158 billion question.

Now, a parliament does much to shape the country when it decides how to tax and spend, how to raise the money and where to allocate it based on those important priorities. We know that everything we do in here is a mixture of politics and policy. Sometimes we certainly don't get the balance right. But one thing I did agree with in the Governor-General's speech just a couple of days ago in this chamber was that politics should be a contest of ideas. I don't think there's any senator in here that disagrees that politics is a contest of ideas. We should have robust and healthy debate, especially on a piece of legislation that is going to spend $158 billion of taxpayers' money on a piece of legislation that is looking to completely restructure the Australian tax system. It is the biggest reform in this country for nearly 40 years. We should have robust debate. If politics is a contest of ideas, I can say to you that, from the time I have spent in this chamber this morning, there does not seem to be much of a contest.

Your vote is your voice in this place. If you believe in something fundamentally and if you believe in something philosophically, it's a privilege to be in this job, and your job, in my humble opinion, is to come in here and speak truth to that belief, to that philosophy and to what you believe in and to vote accordingly. I know that my party has been consistent over the last 18 months since this government decided that the only economic idea they had was to give tax cuts to Australians. These are tax cuts that overwhelmingly benefit wealthy Australians. I know my party has been entirely consistent. I ask all senators in here to be totally clear about what the future holds for the Australian people if we legislate these tax cuts today within the context of our economy.

What's happening in the Australian economy at the moment is extraordinary. Without any exaggeration, the economic environment in which we're making this decision is unheralded within the life of the Federation of Australia. Let me explain why these are truly exceptional times. Interest rates are at record lows. Just two days ago, the Reserve Bank cut the cash rate to one per cent. They are talking of going even lower. The yield on 10-year bonds is now down to 1.25 per cent. You would have to go back a long, long way—even in other countries—to see interest rates this low. While I understand that many mortgage holders are pleased with that, by anyone's measure it is not a sign of a healthy economy—far from it.

Wages growth is also if not the lowest it has been since the Second World War then very close to it. Despite the continuing heroic projections by Treasury—I have been there at all of the estimates over recent years, asked questions and heard the government's assumptions—people's wages simply aren't growing. Any relationship between productivity growth and low wages has long since vanished. Inflation is at the lowest level it has ever been using the currently accepted method of measuring inflation. Productivity growth, as we are all aware, is languishing. This is a global phenomenon. It irks me that this government and this parliament, if it passes these tax cuts, have failed to properly respond to the message of the global financial crisis and have failed to overthrow the shackles of neoliberalism.
What is this government's response to the most exceptional of economic circumstances, which in any sane world would signal and flag that troubled times and stormy seas are ahead? What we have here today is a tax plan cooked up, weeks before an election, on the merest whiff of a surplus, on some very rubbery, very dodgy assumptions that, as most of the country's experienced economic commentators were very quick to point out, will hamstring future governments, and which overwhelmingly will benefit the richest Australians. It will provide an impost on any future government, be it Labor or Liberal or any combination. It will provide shackles.

Gratta recently commented on the highly unusual step of seeking to lock in a series of income tax cuts over the next six years and beyond. We all know why this budget is highly unusual: this was an election budget. It was also highly unusual that the government released a budget and then called an election a week later. This was designed to lock in as many votes for the Liberal Party and National Party as possible not just at this election but into the future. This was an election budget.

For those who believe this government has a mandate for the combined chambers of this parliament to pass this legislation, think again. The government doesn't have a mandate in the Senate. The Australian people made it very clear, with how they voted, that this government did not get a majority in the upper house of the Australian parliament, in the Australian Senate. The government does not have a mandate in the Australian Senate for this legislation. But you wouldn't know that based on the flaccid response we've seen today from the crossbench and from the Labor Party in support of these tax cuts.

You would think there is some kind of imperative to get these tax cuts passed this week. I will tell you what the imperative is: it's a political imperative. The government wants a win in the first week of the 46th Parliament, that's it—spending $158 billion. Why are we rolling over and having our tummies tickled in this place? Why did the Senate refuse to send this off, to do its job, and scrutinise the legislation, and, if need be, amend or reject this legislation and send it back to the other place? It is not our job to support the political imperative of the Liberal and National parties in the Australian Senate. It is not our job. Our job as senators, what we were elected to do, is to scrutinise, to improve, to amend or to reject. We're not even having the chance to do that.

What's most dangerous about this legislation—apart from the fact that it locks us in, it locks future governments in to find $158 billion—is the impact it will have on government spending on essential services. Every economist and economic report I have read has pointed out the dire consequences of maintaining budget surpluses and taking $158 billion out of the budget to give to high-income earners in this country. Every economist worth their salt has pointed this out.

The Grattan Institute has said that they expect, on their model, that government expenditure growth will be the lowest it has been since the 1970s once we pass these tax cuts. What that means, in easy translation, is cuts to school, cuts to hospitals and cuts to the social safety net. And believe me, if you think I'm making this up, have a look at this mob's record in the last five years. Remember the zombie budget cuts? At least that Prime Minister got it in the neck. They will do it again. They will have no choice. In fact, I strongly suspect that, according to the neoliberal model that we know the LNP operates on, this is a deliberate design to bleed
the carcass so there is no choice in future but to cut government expenditure on the most vulnerable people in this country: the battlers.

Are we, as a chamber, going to allow the short-term, selfinterested, dangerous political imperative of this government to go unscruitinised? The Greens will do what we can today to be the opposition in the Australian parliament. We'll continue to fight for our principles and for what the people of Australia elected us to do. The furphy that somehow these tax cuts are going to stimulate an economy running out of puff, very close to going underwater, needs to be thoroughly debunked. I don't dispute that low-income rebates—in other words, rebates for low-income earners in this country—will have an impact on economic growth. We know that low-income Australians have a higher margin or propensity to consume, which means they will spend money that is given to them by the government, especially if they're at the very poor end of the spectrum and on Newstart, which my colleague Senator Siewert made such an impassioned plea to raise. But we know from all of the models that the richest people in this country, the higher income earners, have a lower margin or propensity to consume. They tend to save what they're given, and that means spending more on investment properties, more on other investments and so on and so forth, and that will not stimulate the economy.

It is black and white that 50 per cent of the benefit of these tax cuts will go to the wealthiest 20 per cent of Tasmanians. I want to make this point to my colleague Jacqui Lambie from Tasmania, who seems to be flagging that she will support the tax cuts because she believes they're good for Tasmania. In the Prime Minister's electorate alone, there are more high-income earners on over $180,000—who, as I said, stand to benefit the most from these tax cuts—than there are in the entire state of Tasmania. If we know that these tax cuts are going to benefit the wealthy and that it's questionable they're going to have a stimulatory effect on the economy, why is Senator Lambie supporting a plan, a vision for this country, that is not going to deliver for her home state of Tasmania?

If Senator Lambie wanted to stand up for Tasmanians and for Tasmanian battlers, she would join the Greens and campaign on raising Newstart and she would join the Greens and campaign on taking that $150 billion of public money and investing it in long-term infrastructure, which will create jobs, increase productivity and invest in the future of our children and the future of our nation. That's what we should be spending $150 billion on. But do you know what? There is no debate in this polity, in this country, in the media or in this chamber on how we should spend $150 billion for the betterment of our nation. There is no debate. I've got to say: I am still at a loss for words, as you can tell, as to why we are just waving this through and rolling over.

I understand the Labor battle tank has taken a couple of direct hits in recent times. It's battered and it's tattered. But we need an opposition in this 46th Parliament to this government and their dangerous ideological agenda. The Greens are happy to be the opposition in this building, but we can't beat this government on our own. It seems as though that battle tank is stuck in reverse at the moment. Labor supporters all around this country can hear the grinding of the gears, and it's not a sound they want to hear. They want to see the Labor Party stand up for their principles. Your vote is your voice in this Senate. This afternoon or this evening, however long we are here, the Labor Party will have their chance to vote down the third stage of the tax cuts, and if that fails—if the bill is not split—they can vote down this dangerous tax cuts package and we in this parliament can put forward alternatives for the Australian people.
Debate interrupted.

QUESTIONS WITHOUT NOTICE

Energy

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:00): My question is to the Minister representing the Prime Minister, Senator Cormann. Can the minister guarantee that the government's deal with Centre Alliance will deliver domestic gas prices of $7 per gigajoule or less, as demanded by Senator Patrick?

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:00): What I can guarantee is that, as a result of the decision of Centre Alliance senators—and Senator Lambie and Senator Bernardi, of course—millions of hardworking Australians will get to keep more of their own money.

The PRESIDENT: Fantastic—12 seconds in, and our first point of order!

Senator Wong: I asked about gas prices. Will the minister guarantee that the Prime Minister's deal with Centre Alliance will deliver domestic gas prices of $7 per gigajoule or less, as demanded by Senator Patrick?

The PRESIDENT: Order! The question was specific. It also referred to a deal. I will allow the minister more than 12 seconds to get to the specifics of the question. I believe he's being directly relevant at the moment.

Senator CORMANN: It's good to be back! As I was saying, as a result of the decision by Senators Griff, Patrick, Lambie and Bernardi to support the government's plan for lower income taxes for all working Australians, millions of Australians will get to keep more of their own money. That is going to be good for them, it's going to be good for the economy, it's going to be good for jobs and, of course, it's what the Australian people voted for.

It is, of course, well understood that the government has got a longstanding policy commitment to bring down the price of electricity, including by boosting the supply of gas into the domestic market. Senator Canavan has done an outstanding job, together with Minister Taylor, in helping to bring that about. I think that Senator Canavan would be able to tell you that gas prices today across the east coast market are actually substantially lower than they were at their peak, and, of course, our policy measures so far have had a significant impact. But of course we want to do more.

Let me tell you: you know what the Labor Party were doing while Senator Patrick and Senator Griff were talking to us about public policy? While Senator Lambie was advocating public policy positions with us, do you know what the Labor Party were doing? They were drafting an amendment to change the title of the bill. That is the substantial policy work of the Australian Labor Party after the 2019 election. After the Australian people firmly rejected your high-taxing agenda and your politics of envy, because they knew it would make Australia weaker and would make Australians poorer, here you are; your most substantial contribution to policy debate is to come up with an amendment to change the title of the bill. That is just ridiculous.

The PRESIDENT: Senator Wong, a supplementary question.
Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:03): I note no guarantee. Senator Patrick has also indicated that the arrangement would require:

... a range of measures, including limits on future gas exports and greater transparency on existing deals.

including 'a gas reservation policy'. Can the minister outline how the gas reservation will apply to current and prospective projects and what impact it will have on gas prices?

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:03): What I can confirm for Senator Wong is that today the Senate will have the opportunity to keep faith with the verdict of the Australian people at the last election—that is, by passing income tax relief for all working Australians in full.

The PRESIDENT: Senator Wong, on a point of order.

Senator Wong: We had the entire primary question where he did not answer the question on gas prices. Are you going to allow him to avoid it again?

The PRESIDENT: Senator Cormann, this was a very specific supplementary question that referred only to gas prices or gas policy. I remind you of the question.

Senator CORMANN: It's a matter of public record that the government has got a longstanding policy commitment to bring down the price of electricity, including by boosting the supply of gas into the domestic market. It's also a matter of public record that the government has been engaged in positive and constructive conversations with relevant crossbench senators—those crossbench senators who wanted to pursue and raise issues with us—and we have—

The PRESIDENT: Senator Wong, on a point of order.

Senator Wong: The point of order is direct relevance. I asked about the gas reservation policy that the government has agreed.

The PRESIDENT: The minister is also entitled to address the preamble to the question. It was slightly more general in nature, quoting Senator Patrick. I consider the minister to be directly relevant to that part of the question at this stage.

Senator CORMANN: As I was saying, we have a longstanding track record and a very comprehensive agenda to bring down the cost of electricity, including by boosting supply of gas into the domestic market. We have discussed that agenda with relevant crossbench senators who were interested in engaging with us constructively and positively, while the Labor Party was drafting amendments to change the title of the income tax reduction bill. (Time expired)

The PRESIDENT: Senator Wong, a final supplementary question.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:05): How will the government meet Senator Patrick's demand to deliver domestic gas prices of $7 per gigajoule or less? Can the minister guarantee the price cut will flow through to consumers and, if so, can the minister indicate what price reduction consumers will see?

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:05): Firstly, I'll let Senator Patrick talk for himself. On behalf of the government, I will say that we have a
longstanding commitment to bring down electricity prices, including through sensible reforms to policy settings, in order to ensure we can boost the supply of gas into the domestic electricity market. That's something that is a matter of record. Indeed, Senator Canavan is always exploring new policy options to ensure that we can bring electricity prices down further. He is always looking for ways to do more. It's been really good to engage with some constructive and positive senators who are keen to work with the government to deliver better policy outcomes for the nation, instead of the political tactics of the Labor Party, which is to move an amendment to change the title of the bill. I wonder how long it would have taken them to take that through caucus. *(Time expired)*

**Employment**

**Senator STOKER** (Queensland) (14:06): My question is to the Minister for Employment, Skills, Small and Family Business. How do the results of the Australian labour force figures for the month of May demonstrate how the Morrison government is getting on with the job of delivering for the Australian people?

**Senator CASH** (Western Australia—Minister for Employment, Skills, Small and Family Business) (14:07): I thank Senator Stoker for her question but, in particular, I congratulate Senator Stoker for the great work she did on the ground to deliver so many seats to the LNP in the election—and how that compares with the efforts that Senator Watt made during the election. I believe, Senator Watt, that you lost every seat you visited. A lot of people owe their lack of being here to Senator Watt.

We are a job-creating government. Since 2013 we have put in place the right policy framework so that employers out there—the Australian economy—can create jobs. In fact since we were elected in 2013, the economy has now created 1.4 million jobs. As you know, when we were first elected, in 2013, we said we'd create a million jobs within five years. Because of the policies we put in place, we delivered that commitment ahead of schedule. In relation to the 1.4 million jobs, 60 per cent of those have been full-time.

The unemployment rate in Australia as at May was 5.2 per cent. When Labor last left office—a while ago now—it was 5.7 per cent. The economy continues to create jobs because of the policies that the coalition government has put in place. In May of this year we actually saw employment in Australia reach an all-time high of almost 12,900,000 Australians in work. We also saw confidence in the jobs market being the highest ever, with 66 per cent as the participation rate. It is because of the policies of the coalition government— *(Time expired)*

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

**Senator STOKER** (Queensland) (14:09): Thank you, Minister, for that excellent news. Are there any policy risks that the minister is aware of that could jeopardise these record figures?

**Senator CASH** (Western Australia—Minister for Employment, Skills, Small and Family Business) (14:09): Well, I think the attitude today of those in the chamber on the other side says it all. As the Leader of the Government in the Senate has stated, even though the Australian people voted overwhelmingly on 18 May to endorse the tax plan that we took to the election, those on the other side continue to oppose it. They remain the greatest risk to jobs in this country. They took to the election a plan to tax Australians a further $387 billion.
Imagine the effect on jobs if that plan had been allowed to go through. But it isn't, it won't, because the Australian people voted against the Labor Party's plan for higher taxes and they endorsed the coalition's plan in full, all three stages of our policy, to give Australians back more of their own money.

The PRESIDENT: Senator Stoker, a final supplementary question.

Senator STOKER (Queensland) (14:10): What action is the Morrison government taking to continue to grow our economy and ensure that more Australians are given the opportunity to find a job?

Senator CASH (Western Australia—Minister for Employment, Skills, Small and Family Business) (14:10): We have made a commitment to the Australian people that the Morrison government, over the next five years, will build on the policies we already have in place to ensure the economy can deliver a further 1.25 million jobs. That builds on the one-million-jobs commitment that we made in 2013, and we will do that by ensuring that we return the budget to surplus, something those on the other side haven't done for I think 20 years, two decades.

We will also deliver a record infrastructure spend of in excess of $100 billion. Why? Because we understand that when you invest in infrastructure you allow the economy to create jobs. In my portfolio of small and family business, we extended the instant asset write-off so that an additional 22,000 businesses are now covered. Again, we are all about getting on with—(Time expired)

Budget

Senator GALLAGHER (Australian Capital Territory—Shadow Minister for Finance, Shadow Minister for the Public Service and Manager of Opposition Business in the Senate) (14:11): My question is to the Minister representing the Prime Minister, Senator Cormann. The government wants to spend $95 billion over the medium term to give tax cuts in 2024, five years away. The Grattan Institute states that in order to get the spending levels required to fund the tax cuts:

Real spending growth would need to average around 1.3 per cent per annum over the decade—or 1.8 per cent if the economy performs as strongly as Treasury projects. Either way, this is substantially lower than any previous government has achieved.

Minister, what spending will the government cut in order to fund its tax cuts?

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:12): That claim by the Grattan Institute is wrong. It featured during the campaign. It was comprehensively discredited during the campaign. It was comprehensively discredited during the campaign. In fact, it was comprehensively discredited by nothing less than the Pre-election economic and fiscal outlook 2019, which made very clear that the medium-term projections, showing a surplus all the way through, which factors in our record funding for hospitals, schools, infrastructure and all the other essential services—it said that the cost of the tax cuts is factored in to that forward trajectory based on a 'no policy change' scenario. A 'no policy change' scenario means there are no assumptions of future cuts, as you call it, and no assumptions of future savings enshrined in our budget bottom line whatsoever. This was comprehensively discredited.
The only thing missing from Senator Gallagher's question as she spoke about $95 billion from 2024-25 was the sneering, pre-election reference to 'the top end of town'. I wonder why that is. I wonder why you have dropped that. Because the core foundation of your attack on our plan to deliver income tax relief for all Australians is your attempt to perpetuate the politics of envy, class warfare, turning Australian against Australian.

Do you know what happened? Hardworking low-income Australians, working-class Australians in mortgage-belt suburbs, voted strongly in favour of our plan because they know it delivers better opportunity for them. The modern Labor Party would do well to actually reflect on why it is that their working-class base turned against them. If you want to continue to run on a high-taxing agenda and the politics of envy when Australians are fundamentally aspirational, go right ahead. Let's have this battle all the way to the next election. Go to the next election campaigning for higher taxes again. (Time expired)

The PRESIDENT: Senator Gallagher, a supplementary question.

Senator GALLAGHER (Australian Capital Territory—Shadow Minister for Finance, Shadow Minister for the Public Service and Manager of Opposition Business in the Senate) (14:14): Real growth in health expenditure over the decade to 2016-17 was 4½ per cent. Given that, in order to pay for the $95 billion in tax cuts, the government must restrain health expenditure to just over 0.7 per cent per annum, what health spending will the government cut in order to fund its tax cuts in five years time?

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:15): Repeating a lie doesn't make it come true. Our budget actually has substantial increases every year in funding for hospitals, for schools, for infrastructure, for all of the other essential services Australians rely on. And you know what? We have been able to accommodate income tax relief for hardworking Australians in a way that is fiscally responsible. You know why this question surprises me? Because in the election, Labor said, 'We want to have $387 billion in higher taxes because that is what the country and that's what the economy need.' Now they're saying, 'We should have more tax cuts sooner.' How is that going to add up? You want to bring tax cuts forward, as if anyone believes that you actually believe in tax cuts. How are you going to balance the budget with that? How are you going to pay for hospitals and schools if you do all of that? Your position has no credibility. You're all over the place. You've got more positions on tax than are in the Kama Sutra, quite frankly. If we stay here for another— (Time expired)

Senator GALLAGHER (Australian Capital Territory—Shadow Minister for Finance, Shadow Minister for the Public Service and Manager of Opposition Business in the Senate) (14:16): We didn't need the visuals of that! My supplementary question is: analysis undertaken by The Australian Financial Review reveals that spending will need to be cut by $40 billion a year by 2030 to pay for the tax cuts. How will the government allocate the $40 billion a year in tax cuts required?

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:16): What we're getting now is a reference to an article about a Grattan Institute study that has already been widely discredited. This analysis is wrong. It is false. I will send you a copy of the Pre-election Economic and Fiscal Outlook, which completely and comprehensively rejects this furphy. In any event, here you are now saying that we should have more tax cuts sooner. How is that
going to work? How are you going to make these numbers add up? The Labor Party is all over the place. Quite frankly, you should have long cut your losses. You should have long accepted the verdict of the Australian people. Australians voted for income tax relief for all working Australians and they voted against Labor’s high-taxing agenda and the politics of envy. And here Labor is saying, ‘There are more elections coming.’ Be our guest. You know what? You can go to the next election and campaign your hardest for higher taxes again. Be our guest. Go to the Australian people and tell families yet again that the Labor Party supports higher taxes. (Time expired)

Climate Change

Senator DI NATALE (Victoria—Leader of the Australian Greens) (14:17): My question is to the Leader of the Government in the Senate, representing the Prime Minister. Minister, 717 jurisdictions across 16 countries have made a declaration that we are living in a climate emergency. The UK parliament, led by a Conservative government, supported the declaration of a climate emergency and showed global leadership. How does your government justify having such pathetic pollution reduction targets—only 16 per cent when you take into account carryover credits? How do you justify having targets that are completely inconsistent with keeping warming below 1.5 degrees, as set out in the Paris Agreement?

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:18): I can’t answer this question without noting again and thanking the Greens again for having joined with Liberal and National party senators in voting down the Carbon Pollution Reduction Scheme that Senator Wong sought to introduce. Those of us on this side of the chamber continue to be grateful for your efforts to help us properly balance environmental protection with economic responsibility. That is, of course, the way we approach these things. We are committed to effective action on climate change. When we came into government, we were running behind in terms of meeting our emissions reduction target signed onto in Kyoto. We’re now running ahead of meeting that commitment. And we have a plan to meet our emissions reduction targets agreed to in Paris, but we will not take reckless and irresponsible decisions that would harm Australian families for no environmental benefit. Sending economic activity and jobs overseas for the same level of economic output but with higher emissions does not help reduce global greenhouse gas emissions. That would be just gratuitously imposing a sacrifice on Australians to make ourselves feel better when we’re actually hurting them for no purpose whatsoever.

The PRESIDENT: Senator Di Natale, a supplementary question.

Senator DI NATALE (Victoria—Leader of the Australian Greens) (14:20): The UK has driven down pollution by 38 per cent since 1990 and ours has increased by 24 per cent over the same period. Here we are, a country of 25 million, contributing more to the breakdown of our climate than the UK, with a population of 66 million. Minister, when you’re looking at the source of increasing emissions—and let’s take the gas sector, in particular—what are your plans to reduce pollution from the gas sector?

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:20): Do you know what? Australia actually helps to reduce emissions in the world by exporting clean energy—by exporting cleaner coal, by exporting gas and by displacing much more environmentally
unfriendly energy sources in other parts of the world. We are a growing population and a
growing economy with lots of capacity to help the world reduce greenhouse gas emissions in
a way that's actually good for our economy. We are being a good global citizen by
contributing our gas, our cleaner coal and all of these energy sources that will help reduce
emissions all around the world, at the same time as generating jobs here in Australia. How
fantastic is that! The Greens should remember former senator Bob Brown, who of course was
a big advocate of coal. If you are interested, I'm sure that Senator Colbeck would be happy to
bring out that front page of the Hobart Mercury to remind you again.

The PRESIDENT: Senator Di Natale, a final supplementary question.

Senator DI NATALE (Victoria—Leader of the Australian Greens) (14:21): Minister, in
the short months between the last parliament and this one, 18 heat records have been broken
in Canada; the worst drought in India's history is threatening entire cities; and in Mozambique
months of rain fell in a few short hours, dislocating 1.8 million people. The World
Meteorological Organization said it was a 'wake-up call to the world'. Minister, when will
your government wake up to the climate emergency that is before us?

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the
Executive Council and Leader of the Government in the Senate) (14:22): Our government is
committed to effective action on climate change. We have very comprehensive and effective
measures in place to ensure we meet our emissions reduction targets, signed onto in Paris. We
will not impose economic harm on Australia in order to push up emissions in other parts of
the world. We're not going to harm the Australian economy in order to actually increase
emissions all around the world. You can go to the next election again proposing to harm the
Australian economy in a way that doesn't make any difference to the environment. That is a
matter for you. On our side of parliament, unashamedly and unequivocally, we will never
ever do that.

Economy

Senator KENEALLY (New South Wales—Deputy Leader of the Opposition in the
Senate) (14:22): My question is to the Minister representing the Treasurer, Senator Cormann.
When the Reserve Bank cut the cash rate to 3.25 per cent, former Treasurer Hockey said:
The Reserve Bank are cutting interest rates not because the Australian
economy is doing well but
because the Australian economy is deteriorating. So we are one cut away from emergency levels of a
cash rate.

Given the Reserve Bank this week cut the cash rate to a record low of one per cent, how does
the Treasurer describe the current cash rate?

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the
Executive Council and Leader of the Government in the Senate) (14:23): It is absolutely no
secret that the Australian economy is facing global economic headwinds and is dealing with
some downside risks in the domestic economy—it is absolutely no secret at all—which is of
course why Labor's agenda of higher taxes and the politics of envy was precisely the wrong
way to go. It would have made our economy weaker. It would have put jobs at risk. It would
have left all families worse off. In a way, we've actually won that policy argument, because
the Labor Party, having argued for $387 billion in higher taxes in the campaign, are now
saying that we should have more tax cuts sooner because that's the right thing to do by the
economy. On one hand you say that we need more taxes for the economy and we can't legislate tax cuts in the future because that's bad for the economy, and now you're saying that we need more tax cuts sooner, even though the budget can't afford that.

Senator Wong: Stimulus!

Senator CORMANN: 'Stimulus', Senator Wong says. We have a plan to build a stronger economy. It is a plan that we took to the last election—

Senator Gallagher: On a point of order: the question was very direct. It asks how the Treasurer describes the current cash rate. We haven't got to that point yet.

The PRESIDENT: You've reminded the minister of the question, and I call Senator Cormann to continue.

Senator CORMANN: In Australia, monetary policy and fiscal policy are absolutely heading in the same direction. Our budget is a pro-growth budget. Over the last two financial years, we have put forward $302 billion worth of income tax relief for hardworking families and a hundred-billion-dollar infrastructure investment pipeline. Of course, the Labor Party is arguing in favour of higher taxes. As to their current proposition—maybe that might be position five or seven; I don't quite know the page—their current position is to have lower taxes because that helps the economy, but they're arguing at the same time that we should have higher taxes in case there is trouble in the economy down the track! The Labor Party position on tax and on economic policy makes no sense at all. I think you need to go on a retreat and seriously think about it, and see what your consensus position actually is.

The PRESIDENT: Order on my right and left! I'll call Senator Keneally when I can hear her. Senator Keneally.

Senator KENEALLY (New South Wales—Deputy Leader of the Opposition in the Senate) (14:25): I ask a supplementary question. Former Treasurer Hockey also said:

We have had the extraordinary situation where the Reserve Bank has cut interest rates to record lows and consumer confidence falls. And why? Because consumers have been spooked …

Well, why wouldn't they be? Given the Reserve Bank has cut the cash rate to one per cent, is it any wonder that consumers are spooked and consumer confidence is falling?

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:26): It is true that, on the back of a lot of media reporting—which turned out to be quite misguided—a lot of Australians were concerned about the possibility of a Labor government, which would've had a very negative effect on the economy. They were concerned about the retiree tax and the housing tax, higher taxes on investment, and all of the other higher taxes that Labor were pursuing—which is why, of course, they voted for our agenda of lower income taxes for all working Australians. We are getting on with the job. We are getting on with delivering what we promised we would deliver to the Australian people, to build a stronger economy and secure Australia's future.

The PRESIDENT: Senator Keneally, a final supplementary question.

Senator KENEALLY (New South Wales—Deputy Leader of the Opposition in the Senate) (14:27): Mr Hockey also said:  

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Thursday, 4 July 2019

CHAMBER

… if anyone thinks that the Reserve Bank acted today because the economy is doing really well … they'd be deluding themselves.

Will the minister admit that the economy is facing a crisis, or is he deluding himself?

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the
Executive Council and Leader of the Government in the Senate) (14:27): As I said, our
government has a clear plan to build a stronger economy. It's a plan that was endorsed by the
Australian people. And you know what? The Labor Party can continue to persist with the
argument they ran before the election. We'll continue to get on with the job of implementing
the plan that the Australian people voted for.

Dairy Industry

Senator HANSON (Queensland) (14:27): My question is to Senator McKenzie as the
Minister for Agriculture. Minister, the Howard government deregulated the dairy industry in
the late 1990s. Since then, we have seen Queensland alone go from 1,500 dairy farmers down
to approximately 385 and milk production drop from 12 million litres to nine million litres per
year, yet at the same time the population has grown from 19 million to 25 million.
Deregulation has destroyed a fair farmgate price for milk, with many farms getting less for
their milk than the cost of production, and farms are now in the hands of foreign ownership
exporting milk to their country. Minister, what does the government have planned to ensure
the viability of Australian dairy farms so that they receive a fair price for their milk, allowing
them to continue in the industry?

Senator McKENZIE (Victoria—Minister for Agriculture and Leader of The Nationals in
the Senate) (14:28): Thank you for your question. The dairy industry is experiencing
difficulties right across the country, not just in your home state of Queensland. I represent
Victoria, and we indeed are a great dairying state as well. That is why our government has
taken strong measures to support an industry which underpins so many regional economies
around the country. Right now, dairy is our third-largest rural industry, with $4.3 billion
farmgate production, with nearly 6,000 dairy farmers, but, as you've said, there has been a
decrease in litreage over recent times. Often that is as a result of the drought, particularly in
northern Victoria and southern New South Wales where farmers—

Senator Sterle interjecting—

Senator McKENZIE: I'm sorry, Senator Sterle: farmers are actually having to destock
during the drought—that is actually a reality, and that means there is lower litreage going
through the system. That is why, going to the election, we sought to assist the dairy industry
by giving $10 million to assist dairy farmers to upgrade or invest in energy-efficient
equipment. One of the issues for the viability and profitability of the dairy industry is the
increase in input costs. One of those is electricity. A lot of dairy farmers are irrigators. It is a
perishable product, so it must maintain refrigeration. High energy costs impact dairy farmers'
profitability, because they increase the impost. That's why we're putting money towards
reducing their energy costs. We're also providing additional funding to the ACCC to establish
a dairy specialist in the unit of agriculture within the ACCC to ensure that we get the
competition policy settings right for the dairy industry. We've also committed to
implementing a dairy code, which I know particularly the Queensland dairy farming industry
is keen to see occur.
The PRESIDENT: Senator Hanson, a supplementary question.

Senator HANSON (Queensland) (14:30): As I stated, a lot of dairy farms now are in foreign ownership, exporting their milk to other countries. What does the government intend to do to avoid the selling up of dairy farms and the control of the industry by foreign interests?

Senator McKENZIE (Victoria—Minister for Agriculture and Leader of The Nationals in the Senate) (14:30): We want to see more dairy farmers exporting milk to a whole lot of foreign countries. Milk underpins so much of our regional communities, our food processing jobs—our yoghurt and our milk powder, not just fresh milk and UHT, go to markets right across the world. We want to increase market access for fabulous, clean, green dairy products produced here in Australia. So I don't see the exporting of our product as a bad thing, and opening of new markets. I think it actually leads to an increase in jobs in regional communities and gives our dairy farmers more options as to where to send their products. And, when you have more options, you can have more choice and therefore you can claim a higher price.

In terms of foreign ownership of dairy farms and agricultural land more broadly, the National Party and indeed the coalition government, when we first came to power many years ago, implemented change to the FIRB arrangements to ensure that we have oversight of foreign ownership of agricultural land.

The PRESIDENT: Senator Hanson, a final supplementary question.

Senator HANSON (Queensland) (14:31): You made a comment about dairy farms exporting milk. I understand now that milk is going to be imported from New Zealand. Why is it left up to the supermarkets to collect a levy so that our dairy farmers receive closer to the farmgate value for their milk, rather than regulating the industry again, which worked previously, in the past, to ensure that the farmers get a fair price for their milk?

Senator McKENZIE (Victoria—Minister for Agriculture and Leader of The Nationals in the Senate) (14:32): Well, I think that is 101: fighting for farmers, not just dairy farmers but producers right across the country, in all different commodity groups, to get a fair price for their hard work and efforts producing clean, green food. You talk about deregulating and regulating the dairy industry. It was indeed the dairy farmers themselves who took that decision to deregulate the dairy industry across Australia, and we've been working through how that has shaken out over the past couple of decades. Yes, there have been issues, with market power being used by supermarkets in how they purchase product and the reward that they give our farmers. That is why we have committed to the development of a dairy code, in conjunction with dairy farmers, to ensure that they can have more assurance around a fair price for product. My department officials have visited all eight dairy regions, listening to the dairy industry about the development of the code, which will be announced in coming—

(Time expired)

STATEMENTS

Sigley, Mr Alek

Senator PAYNE (New South Wales—Minister for Foreign Affairs and Minister for Women) (14:33): Mr President, I know this is unusual in the course of question time, but I seek leave to make a very brief statement to the Senate.
Leave granted.

Senator PAYNE: Thank you very much, Mr President. Following from the Prime Minister's comments in the House of Representatives, I am very pleased to advise the Senate that young Australian Mr Alek Sigley has today been released from detention in North Korea. He is safe and he is well. Swedish authorities advised the Australian government that they met with senior officials from the DPRK yesterday and raised the issue of Alek's disappearance on Australia's behalf. Earlier this morning we were advised that the DPRK had released Alek from detention. He has now safely left the country.

On behalf of the Australian government, may I express our deepest gratitude to Swedish authorities for their prompt and invaluable assistance in securing Alek's prompt release. The outcome does demonstrate the value of careful, behind-the-scenes, discreet work of officials in resolving complex and sensitive consular cases such as this, in close partnership with other governments. I won't be making further comment on this matter, out of respect for Alek's privacy and that of his family, but I can say that his father has been advised, he is enormously relieved and grateful, and the family have asked that we convey their thanks to everyone who has helped and expressed support for them over the past several days. I thank the Senate.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:35): by leave—On behalf of the opposition, I welcome this announcement. I share in the foreign minister's thanks to the Swedish authorities for their invaluable work in securing Mr Sigley's release. I also acknowledge all Australian officers, particularly the Department of Foreign Affairs and Trade, for their work. I thank the minister for her cooperation. The approach the opposition takes on these sensitive consular matters, as you will have seen from public statements, is a bipartisan and cooperative approach. We're very pleased for Mr Sigley and his family that this matter has been resolved satisfactorily.

QUESTIONS WITHOUT NOTICE

Resources Industry

Senator McGrath (Queensland—Deputy Government Whip in the Senate) (14:35): My question is to the Minister for Resources and Northern Australia. Minister, the resources sector is vital to jobs and prosperity in our home state of Queensland. How is the government getting on with the job of delivering for the Australian people through resources sector policy?

Senator Canavan (Queensland—Minister for Resources and Northern Australia) (14:36): I thank Senator McGrath for his question and recognise his longstanding support for our great, world-beating resources sector. We on this side of the chamber know how much the mining sector delivers to our country in terms of jobs, in terms of wealth and in terms of prosperity. That's why we are never ashamed of defending and supporting that sector and wanting to see it grow and back those projects. This week, the figures from my department show that the resources sector has smashed another record: this financial year the resources sector will export $285 billion worth of products on behalf of our nation. It smashes the record of $275 billion that was set last financial year. These figures show that, every year, the resources sector will be exporting a larger volume of resources, for 10 years straight—every year, a new record being set. The resources sector in this country are delivering more records...
than the Beatles. They continue to deliver year on year on year for our country, and that's why we support them.

We didn't need the Australian people to give us a spanking at the election to remind us about how important the mining sector is! I notice there are now more people here in this parliament, since we were here last, supporting the resources sector, supporting coalmining, and that is fantastic. I welcome so much the result of that election. Isn't it amazing, though, that it has taken 15-odd million Australians having their say for the Australian Labor Party to realise that maybe—just maybe!—the mining sector might be important to our country's wealth and prosperity and people's livelihoods? We didn't need to have that result, because we live in these regions, we work in these regions, we talk to people who wear fluoro orange, yellow and pink colours. We know what it means to their lives, and that's why we support and back them. That's why we support the opening of the Galilee Basin. That's why we support the opening of the Browse Basin in Western Australia. That's why we support the continuing development of resources markets right around the world.

The PRESIDENT: Senator McGrath, a supplementary question.

Senator McGrath (Queensland—Deputy Government Whip in the Senate) (14:38): What can governments do to make sure mining and resources continue to generate wealth and jobs for Australians in the future?

Senator Canavan (Queensland—Minister for Resources and Northern Australia) (14:38): One concerning thing around the figures that were released this week is that that record-breaking run I mentioned is about to plateau and, in the next three to five years, possibly start declining. So we won't be exporting more volumes ever year, year on year—because we have been relying on the significant investments that were made over the last decade, during the mining boom, and of course, unless new investments are made year on year, eventually you start to decline in terms of your production. We have had an investment boom followed by a production boom.

What we need to do now is support new investments in resources. We need to make sure that we don't have nine-year delays on projects, like the one the Queensland government has presided over with the Adani Carmichael coalmine. It's good that that's going now. But the Queensland government's now ranked, in the Fraser Institute ranking of uncertainty in environmental regulation, 49th out of 83 jurisdictions in the world. They are behind Russia, PNG and the Congo. That's why we're leading a charge in COAG to do benchmarking on environmental regulation around the mining sector—to make sure we facilitate investments in mining, not put more hurdles in front of them.

The PRESIDENT: Senator McGrath, a final supplementary question.

Senator McGrath (Queensland—Deputy Government Whip in the Senate) (14:39): What would be the consequences of failing to take advantage of Australia's natural resources?

Senator Canavan (Queensland—Minister for Resources and Northern Australia) (14:39): The consequences would be felt by people; they would be felt by people who largely live in smaller towns and country areas of our nation, but not only in those towns—Brisbane and Perth are the biggest mining towns in our nation, where hundreds of thousands of people rely on the sector for their jobs. I'm very much keeping at the front of my mind people like Kel Appleton, a publican in Clermont, who, with respect to opening up the Galilee in Central
Queensland, said, 'It's our chance to have the things city people take for granted—things like a strong, stable income and hope for your children.' Anne Baker, Mayor of the Isaac Regional Council and a proud member of the Labor Party, who I caught up with recently, wrote a few months ago that the Galilee Basin would help 'fund schools, hospitals and public services not only across our state but also across this country', and with that in mind she added, 'Can all levels of government afford for the Galilee Basin not to open?' These are the people who are at the front of our minds when we seek to support the resources sector so that they can have a better future for their children and we can make our country a stronger place.

DISTINGUISHED VISITORS

The PRESIDENT (14:40): I draw to the attention of honourable senators the presence in the chamber and gallery of a parliamentary delegation from Fiji, led by the Hon. Aiyaz Sayed-Khaiyum. On behalf of all senators, I wish you a warm welcome to Australia and, in particular, to the Senate.

Honourable senators: Hear, hear!

QUESTIONS WITHOUT NOTICE

Higher Education

Senator FARUQI (New South Wales) (14:40): My question is to Minister Birmingham, the Minister representing the Minister for Education. Minister, in the last three years, your government has slashed the repayment threshold for study loans by nearly 20 per cent, in effect cutting the pay of low-income workers. Just this week, the government slugged another 136,000 Australians by cutting the threshold by another $6,000. How does the government justify giving tax cuts to millionaires while they punish low-income workers for studying?

Senator BIRMINGHAM (South Australia—Minister for Trade, Tourism and Investment and Deputy Leader of the Government in the Senate) (14:41): I thank the senator for her question. I make the point that, firstly, you need to appreciate, of course, that students who leave university or other forms of study with a student debt and get jobs are students who then go on and pay taxes, and those students will benefit from there being lower taxes. They will have those benefits long after they have repaid their student loans, and those benefits will help them through their lives to be able to buy their homes, to establish themselves, to save for their retirement, to support their families—to pursue all of those sorts of things that you expect graduates to seek to do.

The HELP scheme, our student loan scheme, as this chamber should know and acknowledge, is one of the most generous schemes in the world. It allows Australians to go to university for an undergraduate degree and face no up-front fees whatsoever. It allows them to take on a loan that has no real interest rate whatsoever and that has no additional fees whatsoever attached to it, and then to only pay it back at reasonable income levels.

What this government did—yes, the senator is right—is lower the starting threshold, but we also implemented a new lower first repayment rate. There is a new one per cent repayment rate. From memory—it's a little while since I knew all these statistics off by heart—that equates to around an $8 a week repayment of student loans for those who first reach that threshold. We also made sure that graduates earning higher incomes repay their loans faster, by putting in place higher repayment rates at higher incomes, because that's the way you sustain the most generous student loans scheme in the world.
The PRESIDENT: Senator Faruqi, a supplementary question.

Senator FARUQI (New South Wales) (14:43): Minister, every single person the government has targeted through these unfair changes to study loans is a low-income worker who already faces low wages, growing underemployment and the increasing cost of living. So how can the government claim to support low-income earners when you've just slugged 136,000 of them with additional unfair forced repayments?

Senator BIRMINGHAM (South Australia—Minister for Trade, Tourism and Investment and Deputy Leader of the Government in the Senate) (14:44): Obviously there are perils—there are many new senators in the chamber—when your supplementary question is already written out and you don't change it or vary it when you hear the previous answer. I will repeat again for the senator's interest that one of our reforms was to put in place higher repayment rates at high-income thresholds. One of our reforms means that there is now a 10 per cent repayment rate for those earning more than $134,573. Those who leave study and get jobs that are well paid will absolutely be repaying their loans back much faster than they would have in the past. That is good news in terms of the sustainability of our student loan scheme, which has billions of dollars of debt that the government carries on behalf of students and which we want to make sure we can continue to offer on incredibly generous terms. In terms of lower incomes, there is the new one per cent threshold that kicks in at $45,881—(Time expired)

The PRESIDENT: Senator Faruqi, a final supplementary question.

Senator FARUQI (New South Wales) (14:45): Minister, isn't this just another blatant cash grab by the government from those who can least afford it? Will you just admit that your government doesn't give a damn about students or low-income workers and that the only people you care about are your millionaire mates?

Senator BIRMINGHAM (South Australia—Minister for Trade, Tourism and Investment and Deputy Leader of the Government in the Senate) (14:45): It may come as no surprise to the chamber that I'm not going to admit any of the things that Senator Faruqi has invited me to admit. I will acknowledge, however, that the Australian Greens don't give a damn about how you manage money at all. The Australian Greens don't give a damn about whether or not the debt book is sustainable for our student loan scheme or anything else, because they seem to think that money just grows on trees. What our government will do, and has done, is make sure that we as a country can continue to afford to provide the most generous access to university and to study options without up-front fees for those students. We preserve and maintain that by making sure that we have a student loan scheme where the bulk of those funds are repaid so that it is sustainable for generations into the future. That's who we're looking after.

Energy

Senator WATT (Queensland) (14:46): My question is to the Minister representing the Prime Minister, Senator Cormann. I refer to breaking reports from The Australian that Centre Alliance has received a written guarantee outlining the Morrison government's gas policy. Does the written guarantee provide a guarantee that the price of gas will be reduced to $7 a gigajoule, as promised this morning by Senator Patrick? If so, will the minister be up-front with the Senate and undertake to table a copy of the written guarantee in this place?
Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:47): I think it's always prudent not to believe everything you read in the newspaper. I would refer you to my consistent statements in recent weeks. I have always made the point that of course we're prepared to engage constructively with those non-government senators who want to engage with us in relation to policy issues of concern to them and their constituents. It's a matter of public record that Senator Canavan and I sat down in Perth with Senator Patrick and we went into some detail in explaining the policy positions that we've adopted in the past to help bring down the price of gas in Australia—

The PRESIDENT: Senator Watt, on a point of order.

Senator Watt: On relevance, Mr President: we've let Senator Cormann go for some time, but he hasn't addressed this statement from Senator Patrick that there is a written guarantee. That's what we want to know about and that's what we want him to table.

The PRESIDENT: I'm listening very carefully to the minister. I cannot instruct him on how to answer a question or the content of it, so long as he's being directly relevant to a question or its terms. I believe that at this stage Senator Cormann is being directly relevant.

Senator CORMANN: It's a matter of public record that we have engaged constructively with Centre Alliance senators in relation to the government's long-standing commitment to bring down the price of electricity and to continue to bring down the price of gas in the domestic market.

Senator Gallagher: You're not telling the truth!

Senator CORMANN: I'm not even allowed to answer the question. Today is a day for the Senate to deal with income tax cuts. Of course, the government will continue to work with all senators prepared to engage with us constructively on other policy matters. As the government makes relevant decisions, the relevant announcements will be made.

The PRESIDENT: Senator Watt, a supplementary question.

Senator WATT (Queensland) (14:48): I will make this supplementary question very simple for Senator Cormann: is there a written guarantee that gas prices will fall, as has been promised by Senator Patrick?

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:49): Again, I'll let Senator Patrick talk for himself. The only guarantee the government is providing is that we will deliver income tax relief for millions of Australians and we will continue to work in good faith and constructively to pursue the government's longstanding—

The PRESIDENT: Senator Watt, on a point of order.

Senator Watt: Mr President, again Senator Cormann is not answering the question, which is very simple: is there a written guarantee? It's a yes-or-no question.

The PRESIDENT: I can't instruct the minister how to answer the question. The question, however, was about gas rather than other elements of policy, so you've reminded the minister of the question.

Senator CORMANN: As I've indicated to the Senate, the government is very grateful that Senators Patrick, Lambie, Griff and Bernardi are supporting our plan for lower income taxes
for all working Australians, as endorsed by the Australian people at the last election, and we will continue to work in good faith and constructively with non-government senators who want to engage with us around measures to bring down the cost of electricity and to boost supplies of gas into our domestic market.

The PRESIDENT: Senator Watt, a final supplementary question.

Senator WATT (Queensland) (14:50): We can only assume that the answer is no, based on Senator Cormann's previous answers, but Senator Cormann has ruled out doing any special deals in order to legislate the government’s tax package. Given it’s clear that the minister has in fact done special deals, isn’t it clear that his word is worth just as much as his guaranteed support for former Prime Minister Malcolm Turnbull?

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:50): I can confirm that there are absolutely no special deals. What we have said consistently is that we would work with non-government senators in relation to public policy issues and we are seeking to secure alignment with non-government senators around important public policy priorities. Indeed, the government has a longstanding policy priority to deliver lower electricity prices and lower gas prices. We will continue to work with senators in relation to these matters, but these decisions have to stand on their own merit. They've got to be taken on their own merit and they will continue to be taken on their own merit.

Trade

Senator FAWCETT (South Australia) (14:51): My question is to the Minister for Trade, Tourism and Investment, Senator Birmingham. Minister, how is the government getting on with delivering for the Australian people by helping Australian business benefit from trade, tourism and investment opportunities with our G20 partners and how does this help to create a stronger economy that guarantees the essential services that Australians rely on?

Senator BIRMINGHAM (South Australia—Minister for Trade, Tourism and Investment and Deputy Leader of the Government in the Senate) (14:52): I thank Senator Fawcett for his question. I know of his very deep interest and indeed knowledge, of course, in all matters of trade, foreign policy and defence. I'm pleased to inform Senator Fawcett and the Senate that Prime Minister Morrison, at the recent G20 meeting of the leaders in Osaka, in Japan, delivered strong messages to the G20 about the importance of maintaining and modernising a consistent rules based framework to facilitate trade and investment flow between Australia and other nations, but, indeed, right across the globe. This is critically important because one in five Australian jobs are trade related. Indeed, 2.2 million Australian jobs depend upon our trade relationships and trade activities as a nation.

Trade growth has been an engine behind the type of jobs growth that Australia has seen, which Senator Cash was speaking about at the commencement of question time. Indeed, one quarter of Australia's economic growth over the last five years is estimated to be attributable to our growth in trade and export activity. Trading companies pay higher wages—an estimated 11½ per cent in higher wages amongst those companies and businesses who export. Household incomes are an estimated $8,400 higher due to the type of trade liberalisation and opening-up of markets that Australia has undertaken.
Other nations are great beneficiaries of more open-market environments, and we have seen that with hundreds of millions of people lifted out of poverty throughout our region in the Indo-Pacific and particularly in Asia as a result of more open markets. Australia is committed, whether it is with large trading partners like China or smaller but no less important trading partners like our friends from Fiji, who are in the chamber at present, to make sure that we continue to advance, as the Prime Minister did at the G20, the agenda for open trading arrangements.

The PRESIDENT: Senator Fawcett, a supplementary question.

Senator FAWCETT (South Australia) (14:54): Would the minister inform the Senate about the key outcomes for Australia that were advanced through the meetings that were conducted at the G20 summit?

Senator BIRMINGHAM (South Australia—Minister for Trade, Tourism and Investment and Deputy Leader of the Government in the Senate) (14:54): First and foremost, the Prime Minister worked hard with colleagues, and particularly with the support and on behalf of the government of New Zealand, to make sure that the G20 commitment to global action on preventing terrorist and violent extremist content online was delivered, with a clear message sent to internet companies to lift their efforts to ensure their platforms are not exploited and to make sure there is tough action taken, as we have done in our domestic laws in Australia, to ensure that Australians and those around the world are protected from viewing and seeing the types of horrific events that occurred in Christchurch.

But we also saw, in relation to the trade front, strong work in relation to the Osaka track, launched by Japan, which complements the e-commerce negotiations we are pursuing and leading, through the World Trade Organization, to modernise trade rules to ensure they reflect modern training arrangements as well as direct pursuit of trade negotiations with the European Union, with our ASEAN counterparts and with our other major trading partner.  

(Time expired)

The PRESIDENT: Senator Fawcett, a final supplementary question.

Senator FAWCETT (South Australia) (14:55): Thank you, Mr President. Minister, how will our broader international efforts to grow Australian trade create more jobs and a stronger economy without raising taxes?

Senator BIRMINGHAM (South Australia—Minister for Trade, Tourism and Investment and Deputy Leader of the Government in the Senate) (14:55): Opening up trade markets as our government has consistently done over the last six years with our trade agreements struck with China, Japan and the Republic of Korea, and the TPP and continuing to build on other partnerships is paying dividends for Australia. Just yesterday the Australian Bureau of Statistics released data that showed Australia had recorded a record trade surplus of some $5.7 billion for the month of May this year. That record trade surplus is fuelled by a record levels of exports from Australia. Indeed, the five largest monthly trade surpluses ever recorded in Australian history have all been delivered in 2019. This is a demonstration that, as a country, we are yielding benefits of growing exports into markets, particularly where we have trade agreements in place, and that growth in exports is fuelling business growth, jobs growth and the opportunity for us to see revenue growth, which ultimately allows us to
balance the budget and pay for tax cuts and tax relief for hardworking Australians. *(Time expired)*

**Pyne, Mr Christopher**

**Senator KITCHING** (Victoria) (14:57): My question is to the Minister representing the Prime Minister, Senator Cormann. Former Minister for Defence Christopher Pyne announced he had taken a position with EY stating that he was 'looking forward to providing strategic advice to Ernst & Young as the firm looks forward to expanding its footprint in the defence industry'. In response, the Minister for Trade, Tourism and Investment, Senator Birmingham, warned that 'everybody should adhere to that code of conduct, and that includes Christopher'. I note the statement made by Minister Cormann to the Senate earlier today. When did the Prime Minister write to his secretary asking him to investigate Mr Pyne's employment with Ernst & Young?

**Senator CORMANN** (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:57): As Senator Kitching quite rightly outlines, the Prime Minister has written to Dr Parkinson in the terms I advised to the chamber earlier. In fact, he wrote to him on 3 July.

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

**Senator KITCHING** (Victoria) (14:58): Thank you, Mr President. Senator Abetz has said: 'People do expect a standard from the ministers, and then former ministers, to ensure that that which they have learned and gleaned from their ministerial roles are not imported into other roles on which they can potentially gain financially.' Has the Prime Minister or his office discussed Mr Pyne's employment with EY with Mr Pyne? If so, when and with whom did the discussion take place?

**Senator CORMANN** (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:58): I am aware of a public statement that former minister Pyne issued in relation to some of these other matters. But I will take them on notice. As I have indicated to the Senate, the Prime Minister has written to Dr Parkinson seeking advice on these matters, as appropriate. And, as I have indicated to the chamber, we will provide an update on these matters in due course.

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

**Senator KITCHING** (Victoria) (14:59): Thank you, Mr President. The Liberal member for Barker, Tony Pasin, has said: 'What I do know is the fact that we are talking about it is indicative that it just doesn't pass the pub test.' While the Prime Minister's secretary is investigating Mr Pyne's employment with Ernst & Young, what arrangements are in place to ensure Mr Pyne does not take advantage of information obtained due to his former ministerial responsibilities?

**Senator CORMANN** (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:59): There is absolutely no indication that former minister Christopher Pyne has or is acting in breach of the *Statement of Ministerial Standards*, but the Prime Minister has sought advice in relation to these matters, as I have indicated to the chamber—

**The PRESIDENT:** Order. Senator Kitching, e on a point of order.
Senator Kitching: My question was not whether there has been a breach. My question was in relation to what arrangements are in place to ensure that there isn't one.

The PRESIDENT: I cannot instruct the minister on how to answer the question. He's been speaking for 18 seconds. I consider him to be directly relevant, but I'm listening. Senator Cormann.

Senator CORMANN: As I have indicated to the chamber, the Prime Minister sought advice from Dr Parkinson and I'll provide an update at the appropriate time. With that, I ask that further questions be placed on the Notice Paper.

DOCUMENTS

Energy

Order for the Production of Documents

Senator WONG (South Australia—Leader of the Opposition in the Senate) (15:00): I seek leave to move a motion requiring a minister to table a document.

Leave not granted.

Senator WONG: Pursuant to contingent notice, I move:

That so much of the standing orders be suspended as would prevent Senator Wong moving a motion to give precedence to a motion to require Senator Cormann to table correspondence relating to energy prices.

Let us be very clear: both in the House of Representatives, where Mr Taylor was asked questions, and today in the Senate, when the Leader of the Government in the Senate was asked questions, there was an utter refusal by the government to give any details of this special deal with Centre Alliance—that is, a deal that Senator Patrick has been very clear and up-front with the newspapers that he has achieved in return for his vote on the tax cuts. I just would remind the government that Senator Patrick has said to newspapers that he has achieved in return for his vote on the tax cuts. I just would remind the government that Senator Patrick has said to newspapers that he has achieved in return for his vote on the tax cuts. I just would remind the government that Senator Patrick has said to newspapers that he has achieved in return for his vote on the tax cuts. 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I would make a second point about this, and this is about the ethics of it. Centre Alliance has made an agreement with the government over the tax package, and they are entitled to do this. We don't agree with stage 3, and we have explained why. We agree with stages 1 and 2 but not with stage 3, and we have explained our position. But if Centre Alliance has traded their votes for a policy, I think it is incumbent upon them to outline what that policy is. So, I look forward to Senator Patrick and Senator Griff coming in here and voting with the Australian Labor Party, and I hope other parties in this place, to require the government to table the document that Centre Alliance is talking to the media about. This is the extraordinary thing about the document that Senator Cormann doesn't want to acknowledge the existence of, that he doesn't want to ask questions about, that he has ducked and weaved on throughout the entirety of question time today: Senator Patrick has been out there chatting to the media about it. So it's fine. We have the media saying, 'This is what's in the document,' but the Senate can't see it and the Australian people can't see it. We just get Senator Patrick spruiking his deal. If it's such a great deal, I'm sure Senator Patrick and Senator Griff will vote for this motion to ensure that the government actually tables the document that is government policy.

What has occurred is that a deal has been done about government policy, and you ought to front up to the Senate, Senator Cormann, and tell people what the policy actually is. You ought to front up to the Senate and tell them what you're doing in order to get these votes. You're the one that said 'no special deals'. Well, you've given a special deal. That's fine; it's up to you if you want to do that. But I think it is incumbent upon the government and Centre Alliance to provide to this Senate and, via the Senate, the Australian people the details of the gas policy changes that you have agreed in order to get their votes. This document is out there. This document has been signed by the government. This document is being spruiked by Senator Patrick as a thing he got for his vote. Well, table the document. Front up and table the document. It's the right thing to do.

**Senator CORMANN** (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (15:05): Firstly, Senator Patrick has advised me that the story that is written by Rosie Lewis is incorrect, and no doubt he will explain that to the chamber at the appropriate time. There's no stone that the Labor Party would leave unturned in order to prevent Australians from getting a tax cut. There is no stone that the Labor Party will leave unturned to prevent working Australians keeping more of their own money in their pocket. Centre Alliance and Senator Lambie have made a decision to support good policy—policy which was endorsed by the Australian people, policy which is important to strengthen our economy, and policy, of course, which the Senate should support.

I would refer Senator Wong to what I've said consistently on the record for some time. I refer you, in particular, to a Sky interview on 14 June, which sums up our approach. I said: We will continue to engage in good faith and constructively with all non-government senators. A range of issues have been raised, ranging from a desire to lower energy prices, which we share and we are pursuing, and various other issues. It is very important for your viewers to understand our government is absolutely committed to lower energy prices. We have a very ambitious agenda already to bring down energy prices, including by boosting the supply of gas into the domestic market. Of course, we are prepared to engage with non-government senators in relation to these matters. In the end, you have to make judgements on these matters on their own merit.
That is the important point. We are here today pursuing a policy to reduce income taxes for all working Australians. That is a policy that we commend to the Senate on its own merits, because it's an important economic policy, it's economically necessary, it's fiscally responsible and it is what the Australian people voted for. Furthermore, though, we have a longstanding commitment to bring electricity prices down. We have a longstanding track record of pursuing policy measures to drive down the cost of electricity, to drive down the cost of gas and to boost the supply of gas into the domestic market, in particular on the east coast. That is not a secret.

Of course, we have been engaging with Centre Alliance in relation to these matters, and we have committed to continue to work with them in good faith. As positions are finalised and as processes are put in place, we will of course announce all of these matters, as is appropriate. But here is the important point: we are working with all senators who are prepared to work with us on finding consensus and alignment with the government's policy agenda. We already have a longstanding policy agenda to drive down energy prices. That is well and truly understood. It's well and truly on the public record. When we're in a position the make further announcements about further policy initiatives in the future, of course, we will do that at the appropriate time.

This is nothing but the Labor Party trying to prevent the Senate from dealing with important legislation to deliver income tax relief to all working Australians. I think that everyone can see through what this is about. I think that senators should just get on with it, should deal with the legislation that's in front of us, should deal with the amendments and should make sure that, by the end of next week, millions of working Australians can keep more of their own money in their own pockets.

Senator WATT (Queensland) (15:09): The story about what kind of deal has been done between the government and Centre Alliance continues unraveling by the minute. The latest comment, which we've just heard from Senator Cormann, is that Senator Patrick has now retracted his claims that he has a written guarantee from the government.

Senator Pratt: Did you tell him to retract it?

Senator WATT: Exactly. Senator Cormann has clearly been on the phone or had his people on the phone to Senator Patrick, saying: 'You'd better get out there, Rex, and retract that story. You remember to hush-hush. We've got no written guarantee.' If Senator Cormann is now to be believed and, in fact, there isn't a written guarantee from the government about gas prices, are we to believe that Centre Alliance actually hasn't got any kind of deal for their support for these tax cuts? They either have a deal or they don't. It's either in writing or it's not. But what we're hearing from Senator Cormann is that there is no written guarantee; there is no deal. So what is Centre Alliance actually doing here? We can't ask them, because they've been hiding for the entirety of question time, too ashamed to come to this chamber as their hopeless deal is being exposed. And now we learn that it appears—according to Senator Cormann—that there's no deal whatsoever. I have to say I am thoroughly confused about what Centre Alliance are up to and what they are going to get out of this deal for the Australian people.

One of the reasons I'm confused is that I heard Senator Patrick on AM this morning being interviewed by Sabra Lane. He was dodging and weaving her questions about what effect this would have on gas prices, but she finally managed to pin him down when she asked, 'So
people on the east coast, including South Australia, can expect that their prices will be $4 cheaper in twelve months or so?’ Senator Patrick answered:

I think probably a realistic measure is something of the order of about $7 per gigajoules. Currently we're paying about $9 per gigajoule.

So Senator Patrick has been in the media this morning making a promise that gas prices on the east coast are going to fall by $2 per gigajoule, which means that households using their gas appliances in South Australia, Queensland, north New South Wales, Victoria and other states and territories on the east coast will get a gas price reduction. But now we're starting to find out that in fact there is no such deal. Can someone tell us what Centre Alliance is getting out of this? They're signing up to tax cuts from this government which are going to remove $158 billion in revenue from the federal budget over the next few years. They're about to give away $158 billion of public money, which is needed to fund all sorts of other services in their home state of South Australia. While I would disagree with them doing a deal that might do something about gas prices, we're now finding out that they don't even have a deal. So I'm very much looking forward to hearing Centre Alliance, over the course of the day, try to explain to us and to the South Australians who voted for them what on earth they have managed to get out of the government in return for rolling over and backing in $158 billion of tax cuts.

The article that we're referring to is crystal clear. It was published around question time:

Centre Alliance has received a written guarantee outlining the Morrison government's gas policy, which the key minor party demanded in exchange for its support for the … tax cuts …

The copy of the draft gas policy, which has been signed by the government, was given to Centre Alliance senators last night ahead of a crucial vote in the Senate today …

That's not something you can make up. There's clearly a draft gas policy. Senator Canavan's here. He can probably illuminate this. He was probably involved in drafting this gas policy. He's also party to this deal and, by forming this deal, he is also promising the people in his home state of Queensland that their gas prices are going to fall, $9 a gigajoule down to $7 gigajoule. I look forward to all those people in Rockhampton thanking Senator Canavan for the gas price reductions that he's promised them.

Here's Senator Patrick. Maybe now he can tell us. Senator Patrick, have you done a deal or haven't you? Have you done a written deal or have you not? Have you done a verbal deal or have you not? We were told that you had and now we're being told that you haven't, so we'd quite like to know what you've done. You're about to give away $158 billion in tax cuts.

**Senator Cormann:** So you're against tax cuts now?

**Senator WATT:** No. What I'm interested in knowing is what anyone is getting for this. There are no guarantees about gas prices. You should think about that. *(Time expired)*

**Senator PATRICK** (South Australia) *(15:14)*: I have heard what's been said in the chamber over the last 10 or 15 minutes. I'll explain to you what has happened. Senator Cormann came down to Adelaide a few weeks ago and had a bit of a chat to us about things that were of concern to us. We raised a number of issues, one of which was energy prices. That won't be surprising to Senator Wong; she knows that electricity prices in South Australia are the highest in the country. Senator Cormann then invited me to come across to Western Australia to sit down with Senator Canavan, which I did. We started talking about ways in
which gas prices in this country could be brought down. Senator Canavan brought to the table a whole range of things that he was already working on. We talked about a number of things that we thought would be useful. We've had a dialogue backwards and forwards. It turns out some of the things that we thought might be useful can't be implemented because it wouldn't be lawful to do so, and some of the things that we have suggested be done can't technically be achieved; they don't actually give you the outcome that you want.

We've had a running dialogue with the government over the last three or four weeks, going backwards and forwards, having conversations about the details. At the moment—and I'm sure Senator Cormann will confirm this—they have a draft outline of how they want to approach things. It's not fully developed. As Senator Wong would know, having been a minister in government, tabling something or producing something that is not completed can actually be harmful. The government is still working through a whole range of options, and it needs to do a whole bunch of checking-off on those options. We have an understanding of where they want to go, and we also have an invitation—

The PRESIDENT: Order, Senator Patrick! Please stop the clock. Resume your seat, Senator Patrick. Point of order, Senator Wong.

Senator Wong: Point of order: I'd ask that Senator Patrick advise the Senate whether or not he has received the written guarantee.

The PRESIDENT: That's not a point of order, Senator Wong.

Senator PATRICK: Senator Cormann has given—

Senator Wong interjecting—

Senator PATRICK: I'll come to that. If you stop interjecting, I'll come to it. Senator Cormann has invited us to continue talking with him on this policy issue and, indeed, on other policy issues. That's how the crossbench can work well with government. I can tell you that I do not have a document that links anything to tax cuts or sets a price. The price that I mentioned this morning on the ABC—

Senator Watt interjecting—

Senator PATRICK: No. What I mentioned as an aim point is the price that ACCC chairman Rod Sims has suggested we can get to in terms of gas pricing. There is no agreement that says, 'If you vote for the tax cuts, we will do this.' We are now quite satisfied that the government is moving in a really good direction in relation to gas prices. That's the status of things. There is no written agreement that says, 'You do this, and we will support tax cuts'; I can absolutely assure you of that. There is a dialogue that's taken place, and there have been emails exchanged. There's a draft policy document but, once again, it would be irresponsible to table something that is a draft and is not fully considered.

Senator CANAVAN (Queensland—Minister for Resources and Northern Australia) (15:19): Can I just comment on some of the other contributions to this debate on the need to suspend standing orders. I note that Senator Watt used the word 'confused' a number of times; he was confused about where things are at and how things are going. I think I can understand Senator Watt's confusion. My understanding of where the Australian Labor Party are with the tax cuts legislation is that their position on how they're going to vote this evening on tax cuts is going to be determined by wherever Centre Alliance and the other crossbenchers come to.
You would think that the once-proud Australian Labor Party maybe would have a position themselves on something as important as large income tax cuts to help stimulate the economy and return wealth to the Australian people. You'd think they might have their own policy position on that given the nature of their party and their dreams one day to be in government. But instead, you have this absurd situation where apparently they're going to hold a shadow cabinet meeting this afternoon after Senator Patrick, Senator Griff, Senator Lambie and others come to a position. Then they'll determine what their position is. I have great respect for Senator Patrick and Centre Alliance, and other senators in this place, but I cannot understand why the once-proud Australian Labor Party is outsourcing their policy development to a couple of senators in South Australia. How low has the Australian Labor Party dropped to that that is the state of affairs that we are now seeing?

This suspension motion has nothing to do with policy. It has nothing to do with transparency. It has nothing to do with good government. This motion is just a way for the Australian Labor Party to prevent Australians having tax cuts. That's what they are trying to do this afternoon. They are trying to delay. They haven't come to a position themselves. They are trying to delay Australians getting the benefit of a tax cut. That's why this suspension motion should be rejected. We should deal with these matters that are important and that were central to the recent federal election campaign. We should get back to the job of dealing with those and those substantive matters right now.

As I have said in the last couple of weeks, the Australian government takes seriously the need to have competitive gas prices in this country and to do so in a way which continues to track investment in gas supply. In my view, in the last couple of years we have approached this important matter in a considered and diligent fashion. We have also done so in a collaborative way with all stakeholders—with the users of gas in this country. We've had many conversations and meetings with gas users, the manufacturing users of Australia, the Energy Users Association of Australia and the gas producers as well. In the last two years wholesale gas prices have fallen by 20 per cent. We have gone from a situation two years ago where the Queensland coal seam gas industry was barely supplying gas for a few months to the rest of Australia, in net terms, to today Queensland coal seam gas supplying 25 per cent of the east coast market—over 100 petajoules a year. It's been a very good outcome for our gas markets. It's provided a lot of gas into the system, albeit I recognise that our prices are still much higher than they were before.

On that front, six years ago, when the trains in Gladstone started to be built and constructed, when the Australian Labor Party were in government, no-one looked at what effect building six trains in Gladstone, and establishing a massive gas export industry, would have on the domestic market. No-one looked at this. The shadow energy minister of the Labor Party, Mark Butler, has since said, 'Everybody knew at the time that gas prices would go up,' yet they still did nothing back in 2012 when they approved these projects. We don't want to see that happen again. That's why we have been the first government to put export gas controls in place. We have done so in a methodical way, as I've said. We've done so in a way that will continue to make any developments in this area in that fashion. What we won't do is the kind of ad hoc response the Australian Labor Party is adopting.
In the last two weeks the Australian Labor Party has had three different positions on gas. Two weeks ago their shadow minister for resources, Joel Fitzgibbon, told Fran Kelly, on Radio National:

We want a bipartisan approach to this. It's too important for politics. We want to be part of the solution not part of the problem. I have already had a discussion with Matt Canavan on this issue. We need to work together to get this right.

I agree with and support those sentiments. Then today I came into the chamber and Senator Pratt moved a motion to trigger gas export controls today. Do it today! That's not exactly bipartisan. That's completely inconsistent with your own shadow minister. You're a complete and utter rabble.

Then also today Matt Keogh, your member for Burt, when he was asked on Sky News about gas triggers and gas reservation, said: 'I think it's a concern. We want to see the detail of this, because I don't want to see the government do anything that creates a sovereign risk.' Then his own senator, from Western Australia, comes in here and moves a motion to create sovereign risk. The Australian Labor Party is absolute rabble and that is why we should deny this motion.

Senator CHISHOLM (Queensland) (15:24): What a performance we had there from Senator Patrick. He likes to have two middle names that he's built his reputation on: transparency and accountability. That has completely gone out the window here today. His performance, how he's come in here to try to justify this, was absolutely lacklustre. Never again will the Labor Party be lectured to by Senator Patrick on transparency and accountability. He's the one who's done the deal, he's the one who's refusing to explain it, and we will absolutely hold him to account, because there are bigger things at stake here. The Australian Labor Party is absolute rabble and that is why we should deny this motion.

It's absolutely reprehensible that Senator Canavan hasn't explained it to the people of Queensland, because we in Queensland know that these sorts of things around gas have a significant impact. The only state that has actually done anything about gas prices over the last couple of years has been Queensland. None of what Senator Canavan has talked about has actually had an impact. It's been the Queensland government that's been delivering, and ensuring that producers in Queensland have the gas that they need. There is no better example of that than Incitec Pivot. Senator Canavan didn't have a role in that. It was the Queensland government that was making sure that there was new gas being provided so that those workers could be looked after at Incitec Pivot. It was the Queensland Labor government. Canavan was absolutely missing when it came to that.

When it comes to Senator Cormann: when I got into work today, I was in a bit of a bad mood, so, to get some cheering up, I put on Sky News, which always gives me a bit of a boost, and there I heard Senator Cormann talking about his arrangement with the crossbenchers, saying he had no deals, and I heard him talk about it in relation to Senator Lambie and in relation to the Centre Alliance. But, as we know from previous experience—
and former Prime Minister Turnbull learnt this the hard way—Senator Cormann is always doing things behind the scenes. There's no doubt that he's come to an arrangement here with Senator Griff. We know that there's a pretty cosy relationship between their offices. But they are not being up-front with the Australian people, and that is of particular concern for me in Queensland because I know this does have an impact in that area.

We need to know what impact this will have on Queensland, what sort of arrangement they've come to and what that will do for jobs in Queensland. I know that manufacturers across the country are crying out for a solution around gas. Yet we have seen no details and no evidence about what impact this will have for those workers and for those businesses—let alone for future investment. We know how important gas is for feedstock and also for the jobs that go with that. But we've got no sense from the government—or from Senator Patrick, who came in here and did not explain what was going to be done.

Overall this is completely unsatisfactory—that tonight we are expected to vote on these tax cuts, we're expected to just let this go, when Senator Patrick won't outline what deals have been done with the government. Senator Cormann is saying that there is no arrangement in place. The Australian people are being hoodwinked. It is not good enough. The Australian people absolutely deserve better. We will continue to hold this government to account and we'll continue to hold Senator Patrick to account, and never again will we be lectured by him on accountability or transparency.

**Senator BIRMINGHAM** (South Australia—Minister for Trade, Tourism and Investment and Deputy Leader of the Government in the Senate) (15:28): Look at this Labor Party! Talk about being so committed to a high-taxing, high-spending agenda that they will do absolutely anything to try to stand in the way of the Australian people getting the tax relief that the Australian people voted for at the election just on 18 May! Here we have a Labor Party who come in to this Senate chamber and will try to twist and contort and take points of order—

**The PRESIDENT:** Senator Wong, on a point of order.

**Senator Wong:** I'm happy to withdraw my motion if you table the deal, and we can get on with the debate.

**Senator BIRMINGHAM:** These answers have been well addressed, indeed, by Senator Patrick himself, and by Senator Cormann. But you've got a Labor Party who just want to find any justification for their hopeless inability to support tax cuts for hardworking Australians. That's what this is about—they're running around, looking under rocks, desperately hoping to find some reason that justifies the fact that they can't bring themselves to vote for tax cuts for hardworking Australians! All of this could've been avoided if they'd just listened to the verdict of the Australian people on 18 May. All of this could've been avoided if they'd just heard that the Australian people were supporting lower taxes, not higher taxes. And the reason that they got their lowest primary vote in 100 years is because of their high-taxing agenda, because you walked around places around the country and misled people. In your home state, Senator Watt, Mr Shorten stood there in front of workers and said, 'Well, I'll think about giving you a tax cut,' but his plan was to actually increase the taxes on those workers.

**The PRESIDENT:** The time for this debate has expired. Pursuant to the motion adopted by the Senate earlier today, we will be returning to the tax bill.
Thursday, 4 July 2019

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CHAMBER

DOCUMENTS

Productivity Commission

Tabling

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (15:30): I present report No. 93 of the Productivity Commission, *A better way to support veterans*.

BILLS

Treasury Laws Amendment (Tax Relief So Working Australians Keep More Of Their Money) Bill 2019

Second Reading

Consideration resumed of the motion:

That this bill be now read a second time.

to which the following amendment was moved:

At the end of the motion, add:

"but the Senate is of the opinion that:

(a) measures that begin in the 2024-25 financial year should be removed from the bill because it is not responsible to sign up to $95 billion of tax cuts that do not come into effect for five years; and

(b) the Opposition's plan would support the economy now, providing income tax relief to every Australian worker from the 2019-20 financial year and bringing forward infrastructure investment."

Senator WHISH-WILSON (Tasmania) (15:30): Let me summarise, in the last few minutes that I have left, that the Greens clearly and loudly reject this government's tax package, its plan, its vision for the Australian economy, which gives more money to millionaires and risks the services that vulnerable Australians so desperately need into the future. These tax cuts will do nothing to help those who need our funds the most. They will do nothing to restructure Australia's economy for the 21st century. They will hamstring future governments from providing the public services, the infrastructure and the vision that will underpin a prosperous and happy Australia into the next century. They will turbocharge already growing inequality. These tax cuts are a $158 billion decision to starve future governments in favour of higher income earners having more money.

The Greens believe in a different future for this country. We have a different economic plan for employing Australians, for tackling inequality, for tackling the great crises of our time. A $158 billion question—that's what we're voting on here today, all on the back of a political imperative for this government to go to an election, to hang onto power. We flatly, openly and loudly reject this unscrutinised legislation, this $158 billion, this attempt to bribe the Australian people to make sure the LNP can hang onto power and give more money to their rich mates.

The Greens will continue to be the opposition in this place until the Labor Party decide to stand up and join us. I know that millions of people around this country voted for the Labor Party because they wanted an alternative to this government and their ideological agenda, and I know that so many of them would be disappointed out there this week, in the first few days, to see the Labor Party tank in their very first game of the season. That is absolutely crucial for
this 46th Parliament. We'll continue to be the real opposition in this place and we'll continue to push the Labor Party to stand up. (Time expired)

Senator FARUQI (New South Wales) (15:33): I rise to speak on the government's disastrous $158 billion tax bill that is being rushed through parliament. This is a $158 billion mistake. This is a terribly irresponsible choice that the people of Australia will be forced to wear the consequences of for decades to come. How can this government look the 700,000 people barely surviving on Newstart in the eye and say: 'You know what? We can't afford to increase Newstart. We can't afford to support you, but you won't believe what we can afford to do for the very rich.' Shame on you. I actually half expected you lot over there to be wearing monocles and top hats today, like some British aristocrats. Three million Australians are living in poverty, yet your first order of business is about helping the richest people pay less tax. That is what is at the core of stage 3 of this bill. This giant bribe will turbocharge growing inequality and deliver rivers of gold to society's most well-off, who need it the very least. That's the reality. The majority of the benefits of the Liberal-National plan will go to the top 20 per cent of income earners, including millionaires and billionaires, while the bottom 20 per cent receives just three per cent of the benefits. Let that sink in.

Inequality is rising. We face terrible wage stagnation for working Australians. We know that fewer and fewer Australians are employed in secure, full-time work and that young people face enormous underemployment. Homelessness and poverty are on the rise. Poverty is increasingly feminised, and women face a huge gender pay gap. We know that wages won't rise, jobs won't appear out of thin air and inequality won't reduce without the government planning and investing for it. A climate emergency looms large in the landscape of growing inequality. As the crisis worsens, its health and financial costs will drive a wedge between those who can afford to adapt to the destruction of our world and those who are left to bear the brunt of a total climate meltdown. What would the government do when faced with these twin challenges of inequality and the climate crisis? They would lock the country into a $158 billion giveaway that will only accelerate inequality and leave us without the revenue that we need to build a society that can beat climate change.

While they're at it, they would dismantle our progressive tax system. Why the heck is Labor ditching progressive taxation? Make no mistake, these handouts to the wealthy are nothing short of an existential attack on the principal foundations of our progressive tax system. If the Liberals have their way, our tax system will become less progressive than it has been at any time since the 1950s. They would have us in the absurd situation where someone earning $200,000, nearly four times the median wage, pays tax at the same rate as someone earning less than the median wage. How is this fair?

Tax systems might not be the most exciting thing to talk about, but we can never forget that progressive taxation is the linchpin of an egalitarian society. There's no greater leveller than a truly progressive redistribution of wealth to ensure that vulnerable people are cared for and that we all share in the profits of our labour. At the World Economic Forum meeting at the start of the year, historian Rutger Bregman put it clearly when he said that ending inequality and poverty was quite simple. This is what he said:

Taxes, taxes, taxes. All the rest is bullshit in my opinion.

An effective, progressive system of taxation is the building block of a society that wants to be built on collective good and is not built on individual greed. A progressive tax system
recognises that wealth is more often an accident of luck and class than a measure of effort or ingenuity. It places our obligations to each other and society and the betterment of our world at the centre of government. This legislation spells the sad, sorry end of that system.

Debate over taxes goes right to the heart of how governments should serve the people. By choosing to pursue vast handouts to the rich, the government has abdicated its responsibility of life making. That is its responsibility: to give citizens the support, the services and the safety net they need to live a good idea. If we were to accept the idea, as Labor seems to have done, that we should take any opportunity to minimise the life-making work of government and instead give handouts to the most wealthy, then we have already conceded far too much ground to the Liberals' small-government trickle-down crap.

The tragedy of this legislation is not just that the majority of the $158 billion will benefit the most wealthy but that future governments will be unable to use those funds to provide services and infrastructure that benefits everyone. Instead of giving funding to our schools, hospitals, the NDIS and aged care and instead of caring for students, the sick, people with disabilities and the elderly, which is what we need right now, the government is giving tax cuts to millionaires.

We urgently need to lift wages, reverse cuts to penalty rates, fund domestic violence services and raise Newstart and youth allowance. These things are decades overdue, but the government is giving tax cuts to millionaires. We cannot allow the government to forestall the investment and transformation we need to restructure Australia for the 21st century. We could see TAFE and university free for all, fully fund our public schools and make child care free for all families. We could incorporate dental into Medicare and save social housing from the doldrums of underinvestment. We could work to guarantee secure work and a living wage for all Australians. But the government is giving tax cuts to millionaires.

I have to say I am deeply disappointed in the approach Labor have taken to these tax bills. They rightly called the third stage of this plan economically irresponsible and a joke, but then went right ahead and voted for it in the other place and perhaps will do the same here. We need bold, united opposition to the Liberals' giant tax bribe, but instead Labor have been cowed by electoral fear. If they have begun their work in this term of parliament as they intend to continue, then there is much cause for despair. The Greens are fighting the government tooth and nail on this, and I sincerely wish Labor would join us instead of meekly joining the Liberals in taking a wrecking ball to our progressive taxation system and our future. I'm not sure what deals are being done behind the scenes with the crossbench to let this through, but I do know that it stinks. It is exactly this kind of horsetrading and deal doing that Australians hate. Where is the debate of ideas? Where are the principles here? Will you so easily lock Australians out of better education, better health care, better social security? If you go through with this tonight, this affects not only us but many generations to come.

Time and time again Australians say that they want better services. A poll just last week showed that a strong majority, 78 per cent, said maintaining government investments in health and education was the most important thing and it was more important than legislating a tax cut for those on incomes of $200,000. Three-quarters of the sample said people earning more than $150,000 should pay a higher rate of tax than workers earning just $40,000. Yet here we are. This bill is part of the bigger plan to break down our concept of a society where we all look out for each other and instead stoke the idea that people should get what they can and to
hell with everyone else. Well, that's great if you're born into money, go to the right schools, are the right colour and have a name that isn't passed over automatically when people are looking at resumes. Please think of these people when you vote on this terrible bill today.

The DEPUTY PRESIDENT: Senator Faruqi, I just remind you that it's not appropriate, when quoting, to use unparliamentary language.

Senator RICE (Victoria) (15:43): I rise to speak to the 'Slashing Government Services Bill 2019', or should that be the 'Trashing Progressive Taxation Bill' or the 'Increasing Inequality Bill'? I am so angry and despairing that this bill, the 'Treasury Laws Amendment (Tax Relief So Working Australians Keep More Of Their Money) Bill 2019, is being proposed and absolutely horrified that Labor and most of the crossbench look like they are signing up to this attack on low- and middle-income hardworking Australians. We've heard a lot today about low- and middle-income hardworking Australians. Make no mistake; this bill is an attack on low- and middle-income hardworking Australians, because this bill puts a $158 billion hole in the 10-year revenue forecast. This is on top of the $167 billion hole that the 2018-19 budget tax cuts put in place. So in total it's a $325 billion hole—$325 billion over the next 10 years that the government would rather hand out, largely to high-income earners, than invest in services and in our society. Imagine what we could do with that $325 billion. It's a mind-bogglingly big amount of money. Imagine what that $325 billion would do for reducing inequality and ending poverty in this country. We could invest that money into public housing, raising Newstart, bringing dental care into Medicare and creating a world-class mental health system. We could make free child care available for hundreds of thousands of young families, for the majority of Australians who are accessing child care. We could make TAFE and university free. We could invest billions of dollars into our underfunded public schools. These are the political choices that we are making, that are going to be made in this place today. It is a choice—it's a political choice—as to whether we invest in our society, invest in supporting services for low- and middle- and all-income Australians, or give this massive tax handout to those who already have the most.

How much of a dent could we make on the climate crisis with $325 billion? We could invest in solar, wind, pumped hydro, the electricity transmission network, public transport, our electric vehicle charging network and clean hydrogen exports to wean our economy off coal and gas and oil. How much could we invest in revegetating and rewilding our landscapes, increasing our carbon stocks while helping our regions cope with drought and restoring critical habitat to help stem the extinction crisis? Or imagine the jobs and the nation-building potential of spending $325 billion extra on infrastructure. We could expand and upgrade rail services across our cities and regions. We could expand and electrify our bus services right across Australia so that all Australians have access to fast, frequent, clean, affordable public transport. We could build the long-awaited high-speed rail between Melbourne, Canberra, Sydney and Brisbane. Why is no-one in this chamber other than the Greens asking these questions? Why is it taken as a fait accompli that this is the right way to spend $325 billion of revenue over the next decade?

We Greens accept that the economy needs a stimulus, but there are so many better ways to create that stimulus than giving tax cuts to those who already have a lot. All the measures that I've just mentioned would provide massively more stimuli than handing over billions in tax cuts to the wealthy, who are likely to sock most of it away in their bank accounts, in their
shares, in overseas travel. The difference in stimuli is that what happens when you give more money to low-income earners is that you increase Newstart, you increase youth and student allowances, you reduce health costs, you reduce childcare costs and you provide new jobs in green infrastructure, and every single dollar that is spent there is going to flow back into the local economy. Plus, we can expand and increase the low-income tax offset, which would put extra money in the pockets of low-income earners in a targeted way, rather than splashing most of the largesse around to the wealthy, who, frankly, are not going to trickle this money down into the economy. The trickle-down effect is absolute bunkum, and it has been shown to be that over the last 40 years. It has been shown to not exist, to be wrong. All the trickling down that is going to occur from this largesse being given to the richest in our society will be the trickling down of the final drops of one bottle of Dom Perignon before popping open the next bottle.

Yes, this government took this package to the election, but fewer than six million of the over 14½ million Australians who voted in the 2019 Senate election voted for this package. There is no mandate here, except for the fictional one that this government is claiming for this atrocity. The people of Australia elected the government into a minority in this chamber, so let us do some scrutiny. Let's give them some opposition. Let's embrace our mandate to be a check on this government. This bill is a massive failure of vision by the government, by the opposition and by the crossbench. We're three days into this new parliament, and the number one priority of this chamber is giving the richest 20 per cent of income earners a great, big tax cut. Frankly, it is sickening.

The Greens will not stand for it. We need leadership in this country to tackle the challenges of our time, not business as usual. We need leadership to be tackling inequality in this country, to be tackling our climate crisis, to be tackling our extinction crisis. It is not the time for business as usual, where the rich get the spoils and the rest of Australia is left to pick up the pieces. I call on all members of this chamber to rethink their position on this legislation and to vote against what is a dagger in the heart of a fair and equal society.

Senator PATRICK (South Australia) (15:51): After lengthy discussions with the government to address concerns that Centre Alliance has about rising energy costs, and particularly the high electricity costs in South Australia, Centre Alliance has decided to support the government's personal tax cuts legislation. Supporting the tax cuts will reward hardworking Australians and provide a stimulus to the economy that almost all economists have called for, including the Reserve Bank governor. Controlling energy costs will help people on Newstart, workers, pensioners, small businesses and big businesses, all who have been struggling with high energy costs.

Centre Alliance does have a concern about stage 3, noting there is the potential for a slowing economy, but notes that the government have steadfastly refused to split the bill. We do not want to delay tax cuts and the stimulus effect they provide, and note that the parliament has the ability to react if we have a softening economy, should that occur somewhere between now and 2024, when stage 3 is due to come into effect. The gas measures developed by the government will make the economy more competitive, and that will serve to mitigate risk of a downturn, simply because we are an open trading economy and we need to make sure that our energy costs are competitive. Energy feeds into every sector of the economy. It doesn't matter whether you're cooking fish and chips for a living, running a tuckshop or running a chemical
company; they all involve the use of energy. If our energy costs are high, we are uncompetitive, so it's really important that we make sure that these energy costs are reduced. The last thing we want to have happen is for people to get a rebate designed to help them and to help stimulate the economy only to find that that rebate gets gobbled up by energy companies.

Let me talk about gas. As I said, energy is used in every sector of the economy. If energy costs are high, it makes us an uncompetitive economy. Fifty-one per cent of electricity generated in South Australia is generated from gas. It is gas that sets the price in South Australia, Victoria and Tasmania. ACCC Chairman Rod Sims has forecast that gas prices will rise. I think everyone alive to that issue would be concerned about that. I point out that Centre Alliance went to the last election with a promise to force a reduction in energy prices. Let me tell you some gas facts. In 2013-14, Australians paid between $3 and $4 per gigajoule of gas. Then what happened was that six LNG trains were developed at Gladstone, Queensland to allow for the export of gas. In conjunction with that, production of gas in Australia tripled. Except there was a problem: it turns out the companies that were exporting the gas didn't quite calculate things properly and there wasn't enough gas in the reserves that they were planning to use to serve these export markets. As a result, they turned to the domestic market and started buying up gas that was otherwise there for Australians.

In 2017 there were South Australian companies coming to see former Senator Xenophon and me, as his adviser, basically stating: 'It's not the price that concerns us. We can't even get an offer for gas.' That's how short things were in the Australian market. Unfortunately, the gas companies simply decided to make sure they could fulfil their contracts with overseas entities at the expense of Australian companies—a totally unacceptable situation and one that lacks social licence. So Centre Alliance sat down with the government back in 2017—just so everyone can understand, this is a long-running discussion that Centre Alliance has been having with the government—and negotiated with them over concerns about people in South Australia not being able to get a gas offer. We negotiated the Australian Domestic Gas Security Mechanism. I did that with Senator Canavan.

The Australian Domestic Gas Security Mechanism allows the government to forecast supply. If there's a risk that the supply won't meet the demand in the domestic market, they can pull the trigger and, in effect, stop gas exports and then recommence them in a manner that ensures there is enough supply for the Australian gas market. Now, the interesting thing is that that mechanism has never been pulled, but the gas companies know that it's there. As a result, they have made sure there is enough supply in the Australian market now. Unfortunately, they've kept the price tight. They've only just provided enough gas to meet supply, and that has kept the price tight. So we ended up with this gas mechanism, and it did help to resolve the problem; however, we now need to address price. It has clearly addressed supply but not price.

One of the problems we have is that there are very few gas companies here in Australia; there's a cartel style operation going on here. Mostly it's foreign owned companies that are doing this, and I want to just talk to you about some of these companies that are here in Australia, exporting our gas. One of them is Shell Energy Holdings Australia Ltd, and I want to inform you that over the last four years that company has generated—it's thanks to our tax transparency laws that we know this—$53 billion of revenue, from 2013-14 all the way
through to 2016-17. Do you know how much tax they've paid? They've paid $1.1 billion in company taxes. So $53 billion of revenue, and somehow, across those four years, they've only paid $1.1 billion in tax. Origin Energy Ltd earned $51 billion over the same period and paid only $108 million in tax. ExxonMobil Pty Ltd took in $33 billion of revenue over four years and paid zero tax in that time frame!

Now, I come from business. I understand the difference between revenue and taxable income. But I also understand the concept that companies need to make profit to survive. If you've got a company that year after year after year is not making a profit, there's something untoward going on, something strange going on, for that to occur. The big problem I have—we were talking about taxes, and the Greens are talking about services and facilities and so forth—is that we find that these companies, in paying no tax, are doing so whilst they benefit from our fantastic education system, where they've got educated workers and trained workers, where they've got workers who have medical cover, unlike in other countries where they may operate. They've got infrastructure that's been provided to them. They've got security provided by the various security and defence agencies in this country, and they've got the rule of law. They enjoy all of that, yet they pay no tax. And that's a totally unacceptable situation in my view. They enjoy the benefits of Australia's civil environment, but they don't pay for any of it.

These companies have lost their social licence. Last year we saw banks and financial institutions become the centre of attention for misconduct. This year it's the gas cartels. I'm calling you out. You are un-Australian. You are not contributing. You are happy to fill your contracts to meet your own commercial objectives at the expense of Australians who are struggling with energy prices. There are people in South Australia, elderly people, who cannot turn on their heaters during winter, cannot turn on their air conditioners during summer—a totally unacceptable situation—whilst these gas companies enjoy our gas to export for their profit that somehow is not booked here in Australia. Just as a general indication to any company that's not paying tax, I have the tax transparency spreadsheet from the ATO, and I'll be using it extensively throughout the next few years, naming the companies that are not paying tax, because in my view it's shameful. I get that some companies don't make a profit, and that's okay. But when you consistently don't pay tax, you are going to get called out.

So, we've had a tripling of production, yet the price of gas in Australia has also tripled. How does that work? We're now paying about $9 per gigajoule. Remember that I said at the start we were paying $3 to $4 per gigajoule. We're now paying 20 per cent more for our gas than our Asian friends are paying for our gas. How broken is that? And we're now seeing a situation where, around Australia, five import terminals are being planned, being looked at for development. We are the largest exporter of gas in the world, yet we are building import terminals? And some people tell me that that's a solution to the problem. It's not; it's a symptom of the problem. We have to do something about our gas prices.

ACCC Chairman Rod Sims said, in a press release a month ago:

High gas prices remain a critical issue for domestic gas users and could see more businesses move or close on the east coast.

He pointed to an announcement by Dow Chemical that it would close its Melbourne manufacturing plant, in part because of high gas prices. That came after RemaPak, a Sydney-based producer of polystyrene coffee cups, and Claypave, a Queensland-based brick and paving company, entered administration, citing rising gas costs as an important contribution.
to the decision to go into administration. I'm also reliably informed by industry that some companies are deferring investment in this country and some are simply going elsewhere because of our high energy costs. There has been a market failure here in Australia, and where there is a market failure that is where governments intervene.

Centre Alliance has worked with the government on both short- and long-term actions to deal with our gas market concerns. A policy package will be announced. In terms of transparency—people are worried about something secret that's happened—the government has assured us that, over the next few months, they will announce their policies as they become fully developed. I've indicated some of the things that are likely to be in that policy. I've publicly talked about changes to the ADGSM to deal with the current lack of supply. As I said, there is supply but it's not sufficient supply to drive prices down.

In terms of market transparency measures—that is, measures to deal with the monopoly nature of the east coast gas pipelines—I'm not giving away any secrets there. Go and have a look at the ACCC's east coast gas market report, which talks about that. It says there's nothing unlawful about monopoly pricing, but we do have a monopoly situation with the east coast gas market and the government is looking at that. And we've heard Senator Canavan talking about longer term measures to ensure that projects deliver a surplus supply to the Australian gas market. Those are some of the things that Centre Alliance have talked to the government about, and we will continue talking to the government about them.

Back in 2017 we started talking not just about the ADGSM; we talked about 'use it or lose it' gas policies on retention leases. There were a number of things we talked about back in 2017, and there's been a continuum of discussion with the government about these things. So, whilst the Labor Party have been in their cabinet room working out tactics to play things out in this chamber, we've been working with the government on sensible policies moving forward.

Turning to Labor's criticism of what Centre Alliance have done, of course all we've done is ensure that workers will get a tax cut and we're ensuring that gas and electricity prices will fall. Let me read from The Advertiser editorial on Labor's position on this bill. It says:

`Labor, however, dealt it-self out of the equation by a muddled strategy, appearing confused about whether or not to support tax cuts. I don't think we'll know until later tonight whether they do or don't support tax cuts.`

Returning once again to the question of transparency, which was raised in the debate associated with the suspension of standing orders, a draft policy suite has been developed. It's been developed sufficiently for us to understand its effect but not the implementation of it. Okay? So it's not finalised, and the Labor Party ought to know that it is not appropriate to release half-described policies that don't go to the implementation—that could also affect the market, actually. I've been given an assurance by the finance minister, Senator Cormann, that the government will, at some stage, announce these policies, and it's not too far off. They just have to properly bed them down in terms of their implementation. We are quite confident that it will produce results that will complement the tax cuts—lower taxes and lower energy prices, full stop.

Finally, we are mindful of the uncertainty in the economy. Perhaps the economy will turn in a southerly direction but, equally so, it could turn in a northerly direction. If you look at the
budget papers, the assumption used for iron ore prices is $55 a tonne, and it's currently above $100, so the budget papers are relatively conservative. We took briefings from Treasury, the Reserve Bank governor, the ACCC chairman—from a whole range of people—looking at whether or not we should trust what was in the budget papers. But, even if it turns in a southerly direction, it is the role of parliament to deal with that southerly change. If, indeed, the Labor Party are of the view that there is a southerly change coming and that these tax cuts are not the right solution, they can embark on a campaign. They can come out and tell people that, at the next election, they intend to raise taxes. That's what they can do. If you think that's the solution, you're quite welcome to do that. You can get out there and campaign to increase taxes, if you really think this is the wrong outcome.

On balance, we think that this is the right direction to go. We recognise that in future there can be further changes. We recognise that the government will continue to listen to us on gas. There's no conspiracy here; just good policy development—good working between the crossbench and the government on this particular issue. So we're quite satisfied that, on balance, this is the right thing to do. Centre Alliance will be supporting the legislation as it currently stands.

Senator HANSON (Queensland) (16:10): For the majority of workers across Australia, tax is the necessary evil our nation has been built on. It's also the lubricant that keeps a large portion of our society from falling between the cracks. Let's face it, none of us like paying any more than we have to. As Kerry Packer famously said:

Now of course I am minimizing my tax and if anybody in this country doesn't minimize their tax they want their heads read because as a government I can tell you you're not spending it that well that we should be donating extra.

Kerry Packer was right. This government, like the last, hasn't done a great job spending your money. They have managed to double the debt left by Labor in 2013, leaving Australians with a total government debt edging closer by the day to $600 billion.

It's important that this parliament has this debate over personal tax cuts, and let me say from the outset that Australian workers deserve a tax cut. I'll say it again: Australian workers deserve a tax cut. The misconception reported by media that I don't support tax cuts is completely false. Overnight, I wrote to Prime Minister Scott Morrison to reiterate my support for stages 1 and 2 of the bill.

I have no doubt that the people from my home state of Queensland and those right across the nation have been left confused by the government's proposal. For their sake, and for the sake of correcting the record, I'd like to break this down. In the previous parliament, One Nation supported the Treasury laws amendment known as the Personal Income Tax Plan, which was legislated and announced in the 2018-19 budget. The new proposals that this government is here to legislate today are in three stages. As I have said to the government and the media, I support the first two stages but cannot support the third stage, which isn't due to take effect for five years, or two further elections.

Stage 1, which will come into effect immediately, will increase the low- and middle-income tax offset and put a maximum of $1,080 back into the pockets of everyday Australian workers within an income bracket of between $48,000 and $90,000 per annum. I'm happy with that. Stage 2 will kick in from 1 July 2022 and replace the low- and middle-income tax offset by increasing the low-income tax offset to $700 and lifting the threshold for the
marginal tax rate of 19c in the dollar from $41,000 to $45,000. Stage 3 is planned to take effect five years from now, or two elections away, on 1 July 2024, and will reduce the marginal tax rate from 32.5c in the dollar to 30 cents. It will apply to people earning up to $200,000 a year. These three stages of personal tax cuts will cost the government a total of $158 billion, but not a single member of the government can guarantee me that our economy will be capable of sustaining the full tax cuts over the next half a decade. It's stage 3 that has me most concerned, because yesterday the national cash rate dropped to one per cent. Australia has never had a cash rate of one per cent. Australia is quite literally on the cusp of a recession and this government is hell-bent on the idea of surrendering $158 billion through tax cuts.

If you ask me, much of regional Australia has been in an unofficial recession, but most of you in the Senate haven't bothered to visit regional Australia. Over the past three years, I have watched the Senate destroy Australian jobs with ever-increasing power prices that have shut down far too many manufacturing businesses and forced others to move their operations offshore. These power costs are also crippling everyday households, including vulnerable pensioners and the unemployed. According to the Australian Energy Regulator's annual report on compliance and performance of the retail energy market, my home state of Queensland recently recorded the highest number of residential electricity customer disconnections. That is 27,910 Queenslanders left in the dark due to ever-increasing electricity prices across the country. Try telling the more than 72,000 people in this country who had their electricity cut off—across Queensland, New South Wales, South Australia, the ACT and Tasmania—that the third stage of tax cuts are good for them! Maybe Senator Lambie should have been more concerned about the 6,664 people in her state who have had their power cut off over the last six years instead of passing stage 3 of the tax cuts. Maybe Senators Griff and Patrick should have given consideration to the 22,826 people in South Australia who have had their power cut off instead of passing stage 3 of these tax cuts.

This government has deceived the people of Australia by saying it is bringing down power prices when the truth is that, over the past 10 years, power prices have risen 117 per cent. That's the truth: power prices have risen 117 per cent across Australia. But, rather than quarantine the third stage of tax cuts for the purpose of building more coal-fired power stations and droughtproofing water projects like the hybrid Bradfield water scheme, this government has ignored the desperate pleas of everyday Australians and will give further tax cuts to those on up to $200,000 a year in five years time. Is it any wonder that so many hardworking Australians are doing it tough and trying to make ends meet with the ever-increasing cost of living?

I have watched my own children struggle to pay their mortgages and electricity bills and put food on the table. My concern with passing the third stage is the future economic stability of our nation. I didn't create and run four successful businesses before entering politics without having an eye on how to manage money, and all I have asked is that the government shelve the third stage in lieu of building much-needed infrastructure. In Treasury's own advice to my office and to Senator Roberts, they agreed that the economy can be stimulated by quality infrastructure projects like those I have suggested in power and water. This third stage will cost the government $95 billion in tax revenue that could be used to fund new coal-fired power stations giving the nation the cheap, affordable and reliable power that is needed to
keep our nation competitive and viable on the global stage. But no, this money will likely be spent on whitegoods and TVs manufactured in China, and the rest will be eaten up by the ever-rising cost of living. Anyone would think these tax cuts were tied to the Chinese free trade agreement. Let's face it, it is China that will ultimately benefit from the third stage of these tax cuts because consecutive governments have helped to destroy our manufacturing industry.

It looks like the government will get the three stages of its tax cut package through today by paying off the debt of the Tasmanian Liberal state government or by making further false promises on bringing gas prices down in South Australia. But I have another three years in this place to convince you to bring down power prices by building coal-fired power stations and to droughtproof the country by building the hybrid Bradfield scheme.

I call for these infrastructure projects because they will be there for the long term. Tax cuts that may be passed in this parliament today can easily be taken away from the people by this same government, or by a new government, in time to come. But if we build the infrastructure now—waterproofing Australia and giving cheaper power by putting in coal-fired power stations—that infrastructure can never be taken away from the people and will give us what we need. How many millions of dollars have been spent by this government, when drought affects our country and when we see farmers on their knees because they don't have water? We now hear of pensioners who are actually dying because they can't afford the power to keep them warm. What is happening in this country is absolutely disgraceful.

Like I said, I am all for tax cuts—and we should be, because I think we are overtaxed in this nation—but I think that the Australian people would forgo their tax cuts if they knew that the money was going to be put into infrastructure projects that will give them the long-term relief of being able to run their businesses, their farms and their households and so that we are able to support our pensioners and those who can least afford to pay their bills. Only God knows where the money will come from to pay for these infrastructure projects in the future, but that won't stop me from persisting with my argument and standing up for the ignored people of this nation.

Senator Patrick was talking about gas. One Nation has been talking about gas for over two years now, especially that from the North West Shelf. At the moment we export approximately $54 billion worth of gas to overseas—and he is correct: Japan is getting gas cheaper than what Australia is. Out of that gas that we export we bring in about $400 million in taxes—$400 million out of $54 billion in exports. It is disgraceful. I have spoken to the government constantly about the retention leases. They keep renewing the retention leases, and some of the gas companies have had them for up to 30 years and done absolutely nothing with them.

Senator Canavan spoke today about Browse and how wonderful it is and what we are going to make out of the resources. Browse have just built a pipeline of over 900 kilometres to take it into the Northern Territory because, if it went into Western Australia, they would have to give a 15 per cent domestic gas supply. Western Australia are smart to get that domestic gas supply, unlike the rest of the country. What about the floating platforms. How do we know what gas is taken out? We're getting no money from that. Japan make about $3 billion in excise on our gas that goes into their country. They make more out of our gas than we make selling it.
Senator Patrick is right: we're building terminals here to bring gas from overseas, from America, and we're one of the most gas-rich countries of the world. But no-one wants to listen. It was One Nation that started this discussion with Senator Canavan. We brought to his attention a lot of these issues with the retention leases and gas and what is happening up there—things that he had no idea about. Since we've brought it to the attention of the parliament, I'm pleased to see that the Greens have taken the issues up as well. It is also pleasing to hear that Centre Alliance are now starting to talk about. If we don't start addressing the energy costs in this nation, we are going to lose more businesses. You won't have to worry about getting your tax—well, you will, because the jobs won't be here.

A company I know up in Rockhampton export to 50 countries and they employ 55 people. They actually have a third generation. Their electricity bill is going from $350,000 up to $550,000 in a year. They've put $1.2 million worth of panels on their roof, yet their bill is going to increase. Are they going to stay here in Australia? Will they shut down?

Are they viable? This is only one company, one business, but I hear it all the time.

I don't think you really grasp how important it is that we actually do something about the cost of energy in this country. We are on the cusp of losing so much in industries and manufacturing and jobs unless we do address this. You've been led by the rest of the world to sign up to the Paris Agreement, which is different in every country, and we have been demonised because we have coal. In the UK and Europe, they can actually burn municipal waste and woodchip, which are more harmful to the environment, yet they are not condemned for it. We're burning coal, which doesn't put out as much as what they're burning, and yet we're demonised for it—and you're headed down this path.

I will persist with this matter in this chamber and inform the Australian people of what is happening, because, as I said before, I travel this country quite extensively and I talk to people, and they are doing it bloody tough—extremely tough. Is there job security? Is there a future for their kids? It all comes down to energy prices. If we can actually reduce energy prices in this country, it will make a hell of a difference to a lot of people. These tax cuts are for the workers. Where's the relief for people who are on pensions, those self-funded retirees or those people who are supported by the government? Where's the relief for them? The only relief that we can give them is reducing power costs, reducing their bills, to give them quality of life and make them feel that someone is really listening to them. But, rather than that, we are turning a blind eye to our own people and we are more interested in being told what to do and how to run our country by the United Nations and by other countries.

My job here is to try and represent the people. I've had my say. As I've said, I support the government's first and second stages. I cannot support the third stage and I don't believe it is economically viable for our country. You can give me all your promises about stability, but no-one can promise that we're going to have a stable economy five to six years down the track and that we can afford it. That's not how I run my household, and I'm not going to tell the Australian people that that's how this parliament should be running their country.

Senator GRIFF (South Australia) (16:27): This bill, the Treasury Laws Amendment (Tax Relief So Working Australians Keep More Of Their Money) Bill, is all about giving the economy the boost it very much needs, and recognising that the 10 million Australian workers deserve a financial break. The Reserve Bank's decision this week to cut interest rates to an historic low of one per cent shows just how sluggish our economy is. The Reserve Bank's aim
is to boost spending, which ultimately helps grow jobs, to avoid further stagnation. Putting up to $1,080 in the pockets of those earning up to $90,000, as the immediate stage of tax cuts does, will also help invigorate spending.

Stage 2 of the tax cuts will come into effect from July 2022, and it'll lift the income threshold for people on the 19 per cent tax bracket from $41,000 to $45,000, which, under our progressive tax system, will put a little bit extra into the pockets of most taxpayers. It will also slightly lift the low-income tax offset amount, and these changes will be welcomed by low- to middle-income earners in particular and are worthy of backing, even if they are three years away.

We are less enthusiastic about stage 3 of the tax cuts, which doesn't come into effect until July 2024. No-one can say with certainty what the economy will be like in 2024 and beyond, although I note the government is at this stage predicting a surplus in the years leading up to it. If those surpluses disappear, any future government worth its salt will have an opportunity to modify stage 3, if it needs to be modified, before the flattened tax brackets come into effect and potentially eat into government revenue. Interestingly, this is an option that Labor has left open, which I believe is the fiscally responsible thing to do.

We see that Labor is intent on introducing amendments to the bill, but this would be a fruitless exercise given that the government has steadfastly refused to entertain any changes. We saw this in the last parliament when the Senate sought to amend the Treasury Laws Amendment (Personal Income Tax Plan) Bill 2018, which was passed in June last year. We tested the government's resolve, but it rejected the amendments and handballed the bill back to the Senate to pass it unchanged. An amended bill will not get through the lower house. Ping-ponging this bill between chambers is totally pointless. What is more important is getting these tax cuts through to Australians who need them and to give the economy the stimulus it very desperately needs.

I note that Senator Whish-Wilson also has an amendment that will lift the starting amount for the low-income tax offset to $1,080. I actually think that that is a good idea. It will do what we need to do, which is to put more stimulus into the economy and more into the hands of those who need it most. But, again, this proposition will be rejected by the government and has no prospect of success today.

Of equal importance to us is that money given in one hand isn't taken away by the other. It's important for us that government implements a plan to deal with ever-rising energy costs, which dramatically impact the public and businesses. To us, it's mainly about gas—which is something we have a lot of in this building!—and about gas being available and correctly priced so that industry can be competitive and electricity generation can be more economical. Australia is the largest producer of gas in the world, but we are currently paying three to four times what we used to pay for gas before we started heavily exporting it in 2014-15. Just five years ago, we paid $3 to $4 a gigajoule for domestic gas. Our prices hit a crazy $21 in 2017. They have since come down, but we are still paying anywhere in the region of $8 to $12 per gigajoule. That's a crazy situation that smacks of cartel-like activity, in my view.

Reforms we have discussed with government, in relation to the gas market, will be developed further over the coming weeks and months. Those reforms cover ways to enhance the Australian Domestic Gas Security Mechanism, which was negotiated by Centre Alliance—then NXT—back in 2017. That deals with the amount of gas available to the
domestic market through to providing greater transparency on wholesale pricing and more. The likely policy package will be a combination of short-term and long-term measures that will ensure energy security and lower costs for businesses and industry. It will significantly reduce the cost of electricity generation.

This is a very important bill. It will boost the economy and give 10 million Australian workers a welcome financial boost, something that we are very happy to support today.

Senator LAMBIE (Tasmania) (16:33): These tax cuts put money back into people's pockets. That's what it comes down to. It's not perfect. It's not a total shocker either. It's going to help, but it's not going to help everyone. I've spoken to the government, and I've told them my concerns about the Treasury Laws Amendment (Tax Relief So Working Australians Keep More Of Their Money) Bill 2019. I've told them that tax cuts don't help people who aren't able to find a job in the first place or people who are sleeping in their cars or in their tents in Tasmania. I've told them that, if you really care about taking the foot off the throat of people who are doing it tough, you can't ignore those people doing it toughest of all.

Tasmanians have a higher proportion of historic public housing debt than anywhere else, and we have thousands of people who need housing. The list is growing every year, and every year we get a cheque to start to chip away at that list of people who need our help. Instead of putting that money to good use, we split it and send half of it straight back to Canberra. Half of our social housing budget is sent back to Canberra. We have a housing crisis in Tasmania, and we're fighting it with one hand behind our backs. It's not good enough. It's so unfair. It's time we called time on this debt.

People raise their eyebrows at the budget cost of these tax cuts. Tell me what you think about the human cost of telling a homeless single mum that she has nowhere to sleep tonight because Canberra needs that housing money more than she does. I'm not saying everything about this bill is perfect, and I'm not saying that it's going to fix every problem people are experiencing. I'm just saying that if you ask me to choose between helping someone and helping nobody, I know what I'm going to choose every single time—just as sure as day follows night.

The tax cuts we're dealing with should be dealt with on their own merits, not on the deals or sweeteners that come attached. I'm not going to vote away my integrity for anything, because it's all I've got in this place. I'm voting with the government on this bill for what it does, because, on balance, we need something more than what we're seeing out there. I didn't rush into making this decision. I heard the arguments from all sides. I've heard the argument that this tax cut will mean cuts to services. Let's remember that every tax cut reduces the amount of money available to be spent by governments, not just the ones you don't like. Just about everybody in parliament is in favour of two of the three stages of the tax cuts except the Greens, who apparently think people earning $1,000 a week should be paying more tax, not less. When I follow the logic, if everyone here agrees, we should have some service cuts to go along with our tax cuts. What we're really debating is how deep those cuts should go. I don't believe that that's what we're debating, though, and I reckon nobody else here thinks that either, which shows that there's something broken about that logic.

In the meantime, the economy is really struggling. Tasmania's small businesses are practically dragging customers off the streets and into their stores. Those customers don't have money in their pockets either, because the jobs aren't there. I don't have to imagine what
$1,000 would do for those struggling businesses and those struggling families and I don't have to imagine what a struggling economy would look like six years from now, because, from where I'm looking, the economy is struggling now. Come see my neck of the woods in Tasmania, and I'll show you why this bill matters so much. People need this tax cut out there, and they need it yesterday.

I've been told that we shouldn't lock in tax cuts years from now because we don't know what the economy will look like then. Can I just say that I hear all the time that people hate the way politicians never do anything or have a vision about the long-term future of this country. Now we've got a chance to do something beyond the short term, and everyone's saying that because we don't know what the world will be like in five years time we shouldn't do anything until we get there. If the economy gets worse between now and then, as this has, it takes a week to change the tax rates. If, in six years time, the economy can't handle a huge tax cut, then people expect their politicians to say so, be up-front and be honest. If the risk is too big to justify, people will understand rolling it back or putting it on hold for the time being.

The only way you can think that the worst bits of this tax bill are permanent is if you believe that nobody in this place can do the right thing and the responsible thing. I'm not prepared to give up on the possibility that parliament can show a little bit of guts and do the right thing when the time is right. I'm not prepared to walk away from tax cuts for low-income workers starting next week simply because we don't know if we'll be able to afford tax cuts for everybody else five years from now. If we can't afford it then, we don't go ahead; it is that simple. But I'll tell you what we can't afford to do either: we can't afford to leave people out to dry by blocking every part of this tax cut. People in Tasmania need this money to make ends meet. While all of this bill is being voted on today, not all of it is coming into effect today. In reality, it's more like something now or nothing now—something for those people struggling on low incomes, who are staring down another year without a pay rise for the blue-collar worker. That's something that makes a huge difference to me, I can assure you.

Senator STEELE-JOHN (Western Australia) (16:39): I was born on 14 October 1994, and that year, 24 years ago, was the last time that the payment currently called Newstart was actually increased. In that same time, I can't even imagine how much the rate of pay for those of us in this place can do the right thing and the responsible thing. I'm not prepared to give up on the possibility that parliament can show a little bit of guts and do the right thing when the time is right. I'm not prepared to walk away from tax cuts for low-income workers starting next week simply because we don't know if we'll be able to afford tax cuts for everybody else five years from now. If we can't afford it then, we don't go ahead; it is that simple. But I'll tell you what we can't afford to do either: we can't afford to leave people out to dry by blocking every part of this tax cut. People in Tasmania need this money to make ends meet. While all of this bill is being voted on today, not all of it is coming into effect today. In reality, it's more like something now or nothing now—something for those people struggling on low incomes, who are staring down another year without a pay rise for the blue-collar worker. That's something that makes a huge difference to me, I can assure you.

In my time in this place, I've learnt that politics is ultimately about choices. It is about the decisions that you make. This bill is about choices. This government is choosing to give over hundreds of billions of dollars of public funds to an economic project with no academic basis. There is not a shred of evidence that these tax projects will have a singular beneficial effect upon the Australian economy—or upon our society. It is policy done via a wing and a prayer, and it is so much less than what the Australian people deserve from this place.
People tonight are looking to this chamber, to their Senate, and they are deeply frustrated that, as our first act, we have chosen to act in this way. To give the chamber some idea of the colossal size of these measures, for the same amount of money, we could give dental care to all. We could create thousands of new aged-care places. We could raise Newstart and fund public education. For God's sake—for the same price, we could make university free again. And, yet, we are choosing tonight to take this money and throw it to the wind. It is a complete sham.

As a young person who didn't spend their entire political life crawling up somebody's neck to end up in this place, I have often found what happens in this chamber to be somewhere between perplexing and more than a little bit sickening—and I have said so on many occasions. But I've got to say: this is the polished turd to rule them all. There is not a single economist in this country, nor a credible one in the world, who would tell you that, in the current economic context, it is a wise thing to spend this money in this way. And what really gets me is that so many people during the course of this debate have used the vulnerability of our community members as an excuse for their support of this legislation. Well, tonight, I call crap on that.

**The ACTING DEPUTY PRESIDENT (Senator Brockman):** Senator Steele-John, order! Let's keep our language parliamentary, please.

**Senator STEELE-JOHN:** I shall endeavour. I am from a vulnerable community. I have lived that life. Let me tell you, when you need the doctor, when you need a roof over your head or when you're wondering where your next meal comes from it isn't the couple of bucks in your back pocket, that comes from these tax cuts, that helps you out. You can't take your 100 bucks down to Bunnings, buy a hip replacement and bang it in yourself. You need to go to the doctor, and that is what is enabled with the collective pooling of public funds. Taxation and public contribution are the legislative embodiment of the Australian belief that when you are in trouble, when times are tough, we come together and help out. If you are better off, you pay a little bit more. If you are worse off, you pay a little bit less, and that is fair. For decades, that has been the basis of the Australian tax and contribution system, and that fundamental tenet is being murdered tonight.

With this legislation you are seeking to transform our society into a US-style economy—a savage, predator-style capitalist state which will drive millions of our most vulnerable people into the most crushing forms of economic inequality and poverty.

This is not a joke, folks. You come down to Rockingham. You come down and you meet with those people who are, right now, living in the bush next to grain silos on contaminated land, because they can't find a single place to call their own and pay for it with the amount of money that they are given through Newstart and rent assistance. That is their reality. You are making a conscious decision tonight, in the face of all the evidence to the contrary, not to help those people. Shame on this chamber! There is nothing more shameful than walking past somebody in need and deciding not to help.

To be honest, with one side of this chamber, that isn't surprising. It's why you guys exist to sell the Australian public the idea that your personal greed and your desire to maintain your ownership of property is somehow in the national interest. That's your guiding political principle. Hats off to you. You're doing a terrible job. But this side of the chamber was brought into existence for something better. You, the Australian Labor Party, exist and were
created to do better. You have been re-elected to this chamber in the role of the opposition. The role of which, traditionally, is to oppose things. To stare down a government's agenda and say no. What we have seen so far, however, is nothing more or less than a urine-soaked rollover—

The ACTING DEPUTY PRESIDENT: Senator Steele-John, order!

Senator STEELE-JOHN: There's nothing unparliamentary about urine, surely.

The ACTING DEPUTY PRESIDENT: Withdraw the comment, Senator Steele-John.

Senator STEELE-JOHN: I withdraw the comment. A 'water-soaked' roll-over; a 'damp' roll-over; an Albanese backflip. Your supporters are so disappointed in you tonight. They've been contacting my office all day. My Twitter inbox is full of people doing some variant of: 'I have supported the Labor Party for all of my life. I was kicked in the guts by this election. But at their lowest moment, sent them the message that you're just going to let these guys get on with it—these intellectually-vacant swill that have congealed themselves together into a government. You're just going to let them get on with it, because it's too hard—it's too hard, and you're too sad! Oh, you'd got the curtains cut for the windows! You were going to be this minister and that minister! It was all going to go as you'd planned—and it didn't, and you're so sad! It's such a shame! And while you're having your little pity party, you're letting these folks get away with the largest bank robbery that's ever been perpetrated on the public purse!

Senator Whish-Wilson: Hear, hear—shameful!

Senator STEELE-JOHN: It is shameful. The best you could do today during question time was to ask these guys whether they'd produce a letter. I mean, for God's sake! Why don't you just give up and go home. It is utterly disgraceful. Folks are so disappointed, and they are rightly disappointed. My generation are staring down the barrel of a climate crisis. The reality that was shouted at you from the gallery upon the opening of parliament—that is our lived reality. We are the generation which will live with the results of your inaction, your craven political cowardice and your disgusting greed. You are gifting to us an unequal and polluted world. And we will not forgive nor forget your betrayal.

This is the moment when the sides are being picked. History records our actions here, and it will look upon neither of you favourably. It is not too late tonight. It is not too late. You could join with the Greens, vote down this damned package and fight for a better Australia. You still can. You still can do that now. You can join with ACOS. You can join with the social sector. You can join with goddamned John Howard, who advocates an increase in Newstart. I'd never have thought I'd see the day when John Howard was a better advocate for people on Newstart than the Australian Labor Party. What a world we live in! What a brave new political context!

You wonder why you didn't win? Well, today, and tonight, this is exactly why. People want vision. They want hope. They want something to believe in. And they damn well expect us here to fight for them like our lives depended on it—because their lives do! Their lives do. As this miserable measure makes its way through the parliament tonight, none of you can say you do not know exactly what you are doing. When we come back to this place in 12 months time, in two years time, in three years time, desperately grappling with the reality that our economy and our environment are in freefall and we don't seem to be able to find enough money to do
anything about it, it will be this moment that began the descent. When you have folks coming up to you and saying, 'Why the hell isn't our parliament fighting for us?'—this is the moment. You could represent your community. You could do what is right. You could fight for a better Australia. But you are choosing tonight—you lazy, greedy rump—to put your own interests and the interests of your corporate donors ahead of the interests of the Australian people.

Let me say this very, very clearly: this is the moment when the mantle of opposition passes from that sad, smoking husk once known as the Australian Labor Party onto the shoulders of the Australian Greens. Ours is now the role of keeping that light upon the hill burning, folks, because you sure as hell aren't in any state to do it! You sure as hell are not. We shall continue our work in this place. People will always have a voice in the Australian parliament while we are here. We shall fight for our planet and for our communities and, together, we will win and we will restore some semblance of what the Australian people deserve to the actions of this chamber.

Senator McKIM (Tasmania) (16:56): It's a matter of some pride to me, having heard that ball-tearingly good speech from Senator Steele-John, that I'm a colleague of his in this place, and also a good friend of his. He's been extremely articulate in placing the question before all senators tonight, and in explaining—very succinctly, and at times somewhat graphically—the nature of the capitulation of the Labor Party. I mean, can you see the light on the hill from here? No, me neither. Me neither. And there'd be Labor luminaries past and present rolling over in horror at what the Labor Party is doing at the moment. Make no mistake: these tax cuts take the axe to the progressive tax system in Australia.

Senator Gallagher interjecting—

Senator McKIM: And I'll take that interjection from Senator Gallagher saying: 'They're the government; we lost,' and that we should be focusing on the government. Actually, that's your job! You're the opposition! You're supposed to oppose and hold the government to account, not roll over in a craven attempt to drag your bloodied, beaten carcass over the line at the next election. It's your job. But you know what? We'll stand up proudly here today, and we are standing proudly here today, doing your job for you and fighting to defend the progressive nature of the tax system in this country, which was actually built by the Labor Party in times gone by—when there was still a flicker left in the light on the hill.

Senator Gallagher interjecting—

Senator McKIM: When the volume goes up, you know you're hitting some kind of a nerve in this place!

Make no mistake: these tax cuts, these three tranches of tax cuts, are not made up of free money. There is no magic pudding here. These are going to come at a cost, and let me tell you about some of the costs of these tax cuts. They come at the cost of having any hope of getting a decent raise in Newstart any time soon. They are going to come at the opportunity cost of funding public hospitals, health care, public schools in our education system, disability support services, public transport—those public services that people expect their governments to deliver. This is not free money. There are horrendous costs to these tax cuts, and the people who need the support of public services to have any kind of a crack at a decent life in this country are being shafted well and truly today by the Liberal and National parties in here, by the Australian Labor Party in here, by Senator Bernardi, by Centre Alliance and by Senator
Lambie. You all ought to be ashamed of yourselves. You're supporting tax cuts for the millionaires and the billionaires at the expense of people doing it tough on pensions and Newstart.

In my state of Tasmania, where the benefits of these tax cuts will be felt less than in any other state, this decision is a tragedy for our health system, our public school system, our transport systems and our public housing systems. This decision is worse for my state than it is for any other state in the country. We have two electorates, Braddon and Lyons, amongst the four electorates that will benefit the least from these tax cuts. Braddon benefits the second least out of any electorate in the country, and Lyons benefits fourth least out of any electorate in the country. What people in Braddon and Lyons need—and what people doing it tough right across this country need—is an increase in the minimum wage. What we need is an increase in Newstart. What we need is significant extra funding going into public education and into our public health system. Those are the costs of the decisions that people are making in this chamber today.

Well, the Greens are going to hold firm. We're going to vote no to these tax cuts because we are unashamedly a party for increasing the scope and the quality of public services in this country. In fact, we're not just unashamedly that party; we are proud to be that party. We're the only party left in this place that believes there should be significant increases to public services in this country.

I've heard all the arguments about some of these tax cuts being off in the never-never and after the next election, but, in the words of Paul Keating, one of the Labor luminaries, who I reckon to be pretty disappointed by this decision from the ALP, 'They are going to be L-A-W law.' That's what these tax cuts are going to be—L-A-W law. Can anyone in this place, even with the most fertile imagination, imagine the Labor Party taking tax increases to the next election? Ha! It's not going to happen. I'll tell you now: it's not going to happen.

Senator Cormann: That's right.

Senator McKIM: I'll take that interjection from Senator Cormann, who just agreed with me and said, 'That's right.' He knows—look at the smile on his face—that today he's locking the Labor Party into supporting these tax cuts all the way through the next couple of electoral cycles at least. That's why Senator Cormann has a beaming expression on his face as we sit here in this chamber. And that's why Labor members are hanging their heads, because they know that I am right. They are never going to take a tax increase to the next election, because the mythology that's developed in the Labor Party over the last few weeks since the election we've just had is that the somewhat marginally progressive agenda they took to the last election is what cost them government. Actually, that's not what cost you government. I'll tell you what cost you government.

Senator Gallagher: Oh, good. Thanks for that, oh wise one!

Senator McKIM: Thanks for listening, Senator Gallagher. I'll tell you what cost you government. It was a failure to sell your policies and a failure to actually stand up for significant action on climate change. That's what cost you the election—your failure to back in a proper rewrite of the Environment Protection and Biodiversity Conservation Act and your complete disconnect with younger people in this country.
You've just heard from the youngest senator in this place, a fantastic representative of young people in Australia, about how we are engaging in intergenerational theft by passing these tax cuts. We are stealing the future of young people because we are bequeathing to them a climate that is breaking down, that is almost, if not already, past the point of no return. We are bequeathing ecosystems that are collapsing before our very eyes. We are bequeathing them a future where most of them can have no opportunity even to buy their own homes. Because, of course, the Labor Party won't take reform policies on capital gains tax and negative gearing to the next election either because they will be too fearful to do it. This needs to be on the record: we are smashing up the progressive tax system in this country today.

I want to talk a little bit about the deals that are being done, because there is an unacceptable opacity around these deals. We understand there's been a letter written by someone in government to Centre Alliance around some gas policy, but we haven't seen it. It hasn't been tabled in this Senate. It should be tabled, because the Australian people have got a right to know what deals Senator Cormann has stitched up to get the numbers to get this over the line. We also need to know what deal Senator Lambie has done with the government.

I want to briefly talk fractionally about the public housing debt in Tasmania. The Greens in Tasmania—I sat in the Tasmanian parliament for a long time; I had the honour and the privilege of leading the Tasmanian Greens in the state parliament for many years—were campaigning to have the debt forgiven well before Senator Lambie came along. I agree with Senator Lambie. I agree with her: that debt should be forgiven. There is no doubt about that, but I want to know if Senator Lambie has got a deal to get that debt forgiven. And, if so, what is the nature of that agreement with the government? I asked Senator Cormann to address those two points in his closing response, once I've finished this speech and, if he doesn't do it, I'll put it to him again in the committee stages of this legislation. These taxes are going to hamstring the capacity not only of this government but future governments to deliver the public services that so many Australian people rely on.

In my home state of Tasmania—I want to put this on the record—the number of people earning over $180,000 a year is fewer than the number of people in just the Prime Minister's seat of Cook that earn over $180,000 a year. I'll say that again: there are fewer people in Tasmania earning over 180K per annum than there are in the seat of Cook that the Prime Minister represents in the other place. And, in the Treasurer's electorate, there are over twice as many people earning over $180,000 per annum than there are in the whole of my home state of Tasmania. So senators voting for this deal, Tasmanian senators—and that will be every Tasmanian senator except me and Senator Whish-Wilson—are selling our state down the river, because they are making it harder for future federal governments to help Tasmania's health system, to help Tasmania's public education system and to help support people, for example, on Newstart, who are obviously overrepresented in Tasmania compared to the rest of the country. So any time any senator for Tasmania in the future calls for an increase in Newstart, calls for more money to go into the Tasmanian education system or the Tasmanian health system, I will be reminding them: 'You destroyed the chances of that today.' I'm very disappointed that this has occurred. I will be proud, when the division bells ring at the end of this debate, to sit on the 'no' side of this chamber with my friend and colleague Senator Whish-Wilson and my colleagues in the Australian Greens—proudly a party that calls for increases in public services; proudly a party that says, 'Now is no time for these rampant tax
breaks, the overwhelming majority of which will flow to the very well-off and the superwealthy in this country.'

Collectively, colleagues, we are making one of the biggest mistakes that I have seen in my 17 years in politics. Believe me, I have seen a few catastrophic stuff-ups by parliaments in my time, but I have rarely, if ever, seen a stuff-up as bad and as damaging to the fabric of our society, to the fabric of our community and to the Australian people who most need the help of this parliament and this government as the stuff-up that we are about to commit in this parliament. The senators supporting these tax cuts are making a $158 billion choice to starve future governments of the revenue that they will need to support our most vulnerable people. I can only agree with Senator Steele-John's political analysis.

To be frank, I expected nothing better from the LNP—the party of the elites; the party of the big corporates; the party that deliberately designed a social security system to punish vulnerable people; the party that put in place the robo-debt system, which has cost lives in this country. People have taken their own lives because the government falsely accused them of owing a debt that they, in fact, did not owe. I expected nothing better from the LNP, and I've learned that consistently over my time in politics. But do you know what? Like many Australians, I do expect better from the Australian Labor Party—I genuinely do—but I think I'm going to have to re-evaluate my expectations in that space because they are walking away from vulnerable Australians today. Remember, the ALP didn't even take a policy of raising Newstart to the recent election. They had a mealy-mouthed review that was actually going to take 18 months to do if they'd formed government.

This is yet more confirmation, if anyone needs it, that the neoliberals have an overwhelming majority in this place. Their ideology, their neoliberal ideology, their trickle-down ideology, holds that, if you pump up the top end so they can get their new model Porsche or BMW, that wealth will somehow magically trickle down to the people at the bottom, in the face of every piece of evidence that you would ever want to see, over decades. We've seen people at the bottom waiting for this trickle-down magic, holding their hands out and waiting for just one drop of the trickle-down magic, for decades, and they've still got dry hands because it's just not trickling down. Trickle-down economics does not work, and these tax cuts are a living, breathing embodiment of trickle-down economics. They hold that, if you look after the top, the bottom will be looked after, but it's not going to happen.

So, Minister, in the short time that I've got left—I know you were taking advice, and fair enough too, at some stages during my speech—I do ask you to address the agreements you have made with Centre Alliance and Senator Lambie. I ask you to table any documents, letters or any other information you might have about those agreements, or at least place on the record what those agreements are. I specifically have interest in any agreement around the housing debt that the state of Tasmania owes the Commonwealth and whether there has been any commitment to relieve part or all of that debt as a result of your negotiations with Senator Lambie. And, if we don't get that from you in your response shortly, Minister, I put you on notice that I'll be raising it in the committee stage of this bill. While Tasmania's housing debt to the Commonwealth absolutely ought to be abolished, even if that is the deal, that is still a dud deal for Tasmania. Senator Lambie's got three years to leverage her position in this parliament—plenty of opportunities—and she should not have made this deal to do over Tasmanians' public services in the way that she has.
So, despite the mutterings from the Labor Party, I stand by the Australian Greens commitment to actually play the role of an opposition in this place. Remember: when the motion was put earlier today for this bill to be referred to an inquiry so that we could understand the true costs, that was voted down, not just by the government but by the Australian Labor Party. They don’t even want to know the full story here. This is a political decision made by the ALP. It is not a decision in the best interests of the people they purport to represent in this place.

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (17:16): I thank all senators who’ve contributed to this debate on the Treasury Laws Amendment (Tax Relief So Working Australians Keep More Of Their Money) Bill 2019. The legislation we're dealing with seeks to implement one of the most central commitments that we made in the election campaign, and that is to provide income tax relief to all working Australians. We're doing it in a way which prioritises low- and middle-income earners but which also seeks to take the bracket creep monkey off people's back. If we leave bracket creep unaddressed, over time it will undermine aspiration and it will weaken our economy. A weaker economy is very, very bad for low- and middle-income earners, in particular, wanting to get ahead. There's a reason why the low-income areas of Australia voted for us very strongly in this election, and that is that aspirational Australians, working families around Australia, actually understand this truth: it is aspiration and hard work that drive their opportunity to get ahead, that drive the opportunity of all Australians to get ahead.

We're doing this in a way that is fiscally responsible. We are seeking to boost funding for schools and hospitals and infrastructure. We are seeking to ensure that the budget returns to surplus and remains in surplus all the way through, which is, of course, why we're prioritising tax relief for low- and middle-income earners in the first instance before phasing in more structural reforms over the medium term. If the Senate supports this legislation today, it will mean that, by the end of next week, millions of Australians can start to receive up to $1,080 in tax refunds in their bank accounts.

Senator McKim talks about trickle-down economics. That is not trickle-down economics. That is leaving working Australians to keep more of their money—the money that they work for. That is actually the government making a decision that we take less money out of people's pockets, that we take less money out of the pockets of hardworking Australians. There is nothing trickle-down about this.

Senator Steele-John interjecting—

Senator McKim interjecting—

The PRESIDENT: Order! Senator Steele-John and Senator McKim, you were heard in silence.

Senator CORMANN: I understand some of the ideology behind some of the rhetoric around the top end of town. But, honestly, Australia does best when everybody is encouraged to be the best they can be. If we hold any Australian back from being the best they can be, we hold every Australian back. And this view that somehow there is this nasty segment in the population called the top end of town is something we've just got to move away from. It is
destructive and it would weaken our country and our economy if we were to persist with that sort of language and that sort of approach.

It's been a long debate during the campaign and also, of course, in this chamber today. Let me just address this question that Senator McKim raised towards the end of his speech. The government is extremely grateful to Senators Lambie, Patrick and Griff, who have joined Senator Bernardi in supporting the government's plan for lower income taxes for all working Australians. We are very much appreciative. Senator Lambie, in particular, was very clear in her remarks to the chamber that she has made the decision to support the income tax relief on its own merits. Senator Patrick and Senator Griff made that same point. The government has also made the point—and we have been quite candid and transparent about this—that, as a government, we are absolutely prepared to work with crossbench senators in relation to policy issues of concern to them and of concern to their constituents. We will engage with the crossbench in good faith and work through issues.

Senator Lambie, who was referenced by Senator McKim, is a fierce advocate for Tasmania. She has provided very strong advocacy around an issue that she publicly raised yesterday. The government has agreed that we will work with Senator Lambie through these issues. I will just refer you back to Senator Lambie's comments. Senator Lambie made a decision, which we appreciate, to support our income tax relief plan on its own merits.

In relation to Senators Patrick and Griff, yes, it's a matter of public record. We have been talking to Centre Alliance for some weeks about our plans to deliver low electricity prices and lower gas prices and to boost the supply of gas into the domestic market. As Senator Patrick rightly expressed in his remarks earlier, he has put a series of ideas, views and propositions to the government on what he thinks and what Centre Alliance thinks could and should be done to achieve our common objective of driving electricity prices down further.

We haven't reached a final landing point in relation to these matters, but we have agreed on some processes to explore these issues further. That will be done in an open, transparent and public way. In the end, we want the right decisions. These are decisions in the public interest and decisions that will be effective and appropriate in continuing our longstanding efforts to drive electricity prices down and to boost the supply of gas into the domestic market. There is nothing wrong with that. That is not the trading of horses. That is not doing special deals. That is engaging in good faith on public policy matters, in the public interest, on behalf of the Australian people. That is what we're here to do. That is what the government is doing.

In closing, the government very much appreciates that—and I appreciate that Senator Lambie referenced this in her speech too—Senator Lambie very carefully considered these matters and the arguments in relation to the pros and cons of our overall plan. She made the decision, which we appreciate, to support our plan. It was the same with Centre Alliance. We obviously welcome that. I would say to the Labor Party, as Senator McKim said to the Labor Party, if you don't agree with our plan to deliver income tax relief to all working Australians, given that the final stage of our plan does not come into effect until 2024-25, then be our guests: go to the next election arguing to roll those tax cuts back. Go to the next election making the case that higher income taxes is what the economy needs. I have to tell you that the thing that completely and utterly confused me is that, having spent five weeks during the campaign arguing that the economy needed $387 billion in higher taxes, over the last couple of weeks we have heard the argument that the economy needs lower taxes sooner. That was
even though that would undermine the return to surplus and maintaining the budget in surplus.

The government has a plan that is economically necessary and fiscally responsible. The government has a plan that will put more money into workers' pockets from the end of next week. The government has a plan to help create more jobs on the back of the economic stimulus created by the income tax relief plan that is before the chamber now. The government has a plan before the chamber today to implement structural reform to our tax system that continues to support aspiration and that provides incentive and reward for effort for hardworking Australians. That's so that our economy continues to grow and so that all Australians have the best possible opportunity to get ahead. A stronger economy is going to be central to our capacity to continue to sustainably provide increased funding for all of the essential services Australians rely on. That is another reason why we need to pass this legislation in full. With those few words, I commend the bill to the chamber.

The PRESIDENT: The first matter to deal with is the second reading amendment moved by Senator Gallagher. The question is that the second reading amendment moved by Senator Gallagher be agreed to.

The Senate divided. [17:29]

(The President—Senator Ryan)

Ayes ...................... 26
Noes ...................... 44
Majority ............... 18

AYES

Ayers, T
Brown, CL
Chisholm, A
Dodson, P
Gallacher, AM
Green, N
Kitching, K
McAllister, J
O’Neill, DM
Roberts, M
Smith, M
Urquhart, AE
Watt, M

Bilyk, CL
Carr, KJ
Ciccone, R (teller)
Farrell, D
Gallagher, KR
Hanson, P
Lines, S
McCarttah, R
McCarthy, M
Pratt, LC
Sheldon, A
Sterle, G
Walsh, J
Wong, P

NOES

Abetz, E
Askew, W
Bragg, A J
Canavan, MJ
Chandler, C
Cormann, M
Di Natale, R
Faruqi, M
Fierravanti-Wells, C
Hanson-Young, SC

Antic, A
Birmingham, SJ
Brockman, S
Cash, MC
Colbeck, R
Davey, P
Duniam, J
Fawcett, DJ
Fifield, MP
Hughes, H
I move:
At the end of the motion, add:
", but the Senate:
(a) notes that the bill does nothing to assist people receiving newstart allowance or youth allowance;
and
(b) calls upon the Government to introduce legislation to amend the Social Security Act 1991 to increase the maximum single rates of newstart allowance and youth allowance by $150 per fortnight".

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

The Senate divided. [17:33]

The President—Senator Ryan)

Ayes .....................11
Noes ......................57
Majority .................46

AYES
Di Natale, R
Faruqi, M
Griff, S
Hanson-Young, SC
McKim, NJ
Patrick, RL
Rice, J
Siewert, R (teller)
Steele-John, J
Waters, LJ
Whish-Wilson, PS

NOES
Abetz, E
Ancic, A
Askew, W
Ayres, T
Bilyk, CL
Birmingham, SJ
Bragg, A J
Brockman, S
The question now is that the bill be read a second time.

The Senate divided. [17:39]

(The President—Senator Ryan)

Ayes .....................60
Noes ....................9
Majority ...............51

AYES

Abetz, E                 Antic, A
Askew, W                 Ayres, T
Bilyk, CL.               Birmingham, SJ
Bragg, A J               Brockman, S
Canavan, MJ             Carr, KJ
Cash, MC                Chandler, C
Chisholm, A            Ciccone, R
Colbeck, R              Cormann, M
Davey, P               Dodson, P
Duniam, J              Farrell, D
Fawcett, DJ            Fierravanti-Wells, C
Fifield, MP            Gallagher, AM
Gallagher, KR          Green, N
Griff, S              Hanson, P
Hughes, H            Hume, J
Kitching, K         Lambie, J
Lines, S
McAllister, J
McCarthy, M
McGrath, J (teller)
McMahon, S
Patrick, RL
Rennick, G
Ruston, A
Seselja, Z
Sinodinos, A
Smith, M
Stoker, AJ
Van, D
Watt, M
McDonald, S
McKenzie, B
O'Neill, DM
Paterson, J
Pratt, LC
Roberts, M
Scarr, P
Sheldon, A
Smith, DA
Sterle, G
Urquhart, AE
Wong, P

Di Natale, R
Faruqi, M
Hanson-Young, SC
Rice, J
Steele-John, J
Whish-Wilson, PS

Question agreed to.
Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

The CHAIR (17:44): The question is that the bill stand as printed—I beg your pardon; Senator McKim.

Senator McKIM (Tasmania) (17:44): I just had a question for the minister. Minister, in your summation speech, you indicated that the commitment that the government had given Senator Lambie was to work through the issue of the Tasmanian government's housing debt to the Commonwealth. Is that the full extent of your commitment to Senator Lambie?

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (17:45): Indeed, we will be working this issue through with Senator Lambie and with the Hodgman government in Tasmania. These are matters that have already been the subject of discussions in recent times between our government and the Hodgman government. As Senator Lambie has indicated, she has made a judgement—which we appreciate and I'm grateful for—to support our income tax relief package on its own merits because she recognises that it's important for the economy and for hardworking Australians, in particular low-income earners who will, of course, start receiving tax refunds from the end of next week. She has also very strongly and very passionately advocated on behalf of her home state of Tasmania in relation to this issue, and we have agreed over the next six to eight weeks, or thereabouts, that we'll work this issue through and we'll make relevant judgements.
Senator McKIM (Tasmania) (17:46): Thank you, Minister. Those words confirmed and reflected the words that you used in your closing speech. But, just to be clear, that is the extent of the commitment that you have given to Senator Lambie and there are no further commitments you have given other than your willingness to 'work this issue through'?

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (17:46): When we have more to say, because the issue has been properly worked through, we'll make relevant announcements at that time.

Senator McKIM (Tasmania) (17:46): I'm happy to stay all night if we need to, Minister, so I'll put it again just so that the Senate can be totally clear: is that the extent of the commitment that you have given to Senator Lambie? In other words, is there any other commitment you have given to her further than the commitment that you are prepared to 'work this issue through'?

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (17:47): I can't be clearer than this. As I've indicated, this also involves a state government, and so there are some conversations to be had with the state government in Tasmania. As we've indicated to Senator Lambie, as she made very strong and passionate representations in relation to this issue—and I think all Tasmanians and all Australians would have seen the passion with which Senator Lambie put this issue forward yesterday in her Facebook post; I saw that, and I could see the passion—we would be prepared to work this issue through. When all of the issues have been properly considered on their own merits, we will be making further announcements at the right time. We will be working, in good faith, over the next six to eight weeks to work this issue through.

Senator McKIM (Tasmania) (17:47): Thank you again, Minister, for repeating words you'd just used, but my question is actually very clear: is there any commitment you've given to Senator Lambie further to the commitment to 'work this issue through'—yes or no?

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (17:48): I've very clearly articulated the commitment I've given. I'm not in a position to say more at this point in time because there are more discussions to be had, including with the state government of Tasmania, and that will happen over the next six to eight weeks. When we are in a position to make further announcements in relation to these matters, we will.

Senator McKIM (Tasmania) (17:48): Thank you again, Minister, for repeating words that you'd already used. Perhaps I'll just frame my interrogation of you slightly differently. I'll say to you here, very clearly, that my understanding, from what you've said and the implication in your words, is that you have given no further commitment to Senator Lambie other than to 'work this issue through'. If I'm wrong about that in my understanding, I invite you to correct me.

Senator Cormann: Thank you very much—

The CHAIR: Minister, wait for the call.

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (17:49): I stand by the
comments that I've made. The government, as we've indicated on a number of occasions now, is always prepared to engage with non-government senators in relation to issues of concern to them and their constituents. On occasions we've had these sorts of conversations with the Australian Greens. In relation to the issue raised with us by Senator Lambie, we have agreed to work this issue through in good faith. This is incidentally, as Senator Lambie herself indicated, not the reason she decided to back our income tax plan today. As I heard when Senator Lambie gave her speech, she made a judgement today, on balance—having considered all the arguments—to back our income tax plan on its own merits.

But we will work this issue through over the next six to eight weeks. There are obviously some matters to be considered and some matters to be explored with the state government of Tasmania. When all of these things have happened, then we will make a relevant announcement at that point in time. I'm not in a position to tell you any more at this time, because these processes have not yet taken place.

Senator WHISH-WILSON (Tasmania) (17:50): Senator Abetz has been on the public record, on the radio, at least three times on this issue in the last three weeks, Senator Cormann. Did you have a chat to Senator Abetz about this? Did you bring him into the tent on this dodgy deal that you are signing with Senator Lambie?

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (17:50): Firstly, I reject the premise of the question. I reject the characterisation you've just put before the Senate. Millions of Australians tonight are grateful to Senator Lambie for having decided to back in the legislation to deliver the lower income taxes for all working Australians that the Australian people voted for, because it will mean up to $1,080 into the bank accounts of millions of Australians from the end of next week. So I completely reject that characterisation in what you've said. Have I had conversations with Senator Abetz in relation to these matters? Yes, I have.

Senator WHISH-WILSON (Tasmania) (17:51): I move Greens amendments (1) on sheet 8689:

(1) Schedule 1, page 3 (line 1) to page 4 (line 5), omit the Schedule, substitute:

Schedule 1—Low Income tax offset

Income Tax Assessment Act 1936

1 Subsection 159N(2)

Omit "$445, reduced by 1 cents", substitute "$1080, reduced by 3 cents".

Income Tax Assessment Act 1997

2 Subsection 61-115(1) (table)

Repeal the table, substitute:

<table>
<thead>
<tr>
<th>Amount of your tax offset</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item</td>
</tr>
<tr>
<td>1 does not exceed $37,000</td>
</tr>
<tr>
<td>2 exceeds $37,000 but is not more than $66,667</td>
</tr>
</tbody>
</table>

3 Application
The amendment of section 159N of the Income Tax Assessment Act 1936 as made by this Schedule applies in relation to assessments for the 2018-19, 2019-20, 2020-21 or 2021-22 income year.

(low income tax offset)
We also oppose schedule 2 in the following terms:
(2) Schedule 2, page 5 (line 1) to page 7 (line 1), to be opposed.

(personal income tax reform)
The Greens amendment strips the tax cuts from this bill. It increases the size of the low-income tax offset, the LITO, from the current $445 level, beyond the $700 level proposed by the government, to $1,080. The amendment also brings about this increase to the LITO immediately, rather than in 2022, as proposed by the government. The net result is that people earning anything up to $37,000 per annum would immediately and permanently be $115 better off under the Greens amendment. People earning a wage of anything up to $67,000, which is very close to the current cap for the LITO, would also receive an immediate and permanent increased tax offset under our amendment. The benefit of the Greens proposal, as opposed to this government's tax cuts, is that it puts more money into the pockets of those wage earners who would most benefit and who most need it. It wouldn't be providing nearly half the value of the entire package to the wealthiest Australians.

For the hardheads in this chamber and any out there who may be listening to this debate who have no sympathy for those who are truly struggling in this country, this is not just about the personal welfare of those who would receive an extra benefit. It's an accepted fact that people with less money who are battlers and are doing it tough tend to spend any extra money they're given. Economists call this a 'marginal propensity to consume'. They have a higher marginal propensity to consume, which of course makes intuitive sense, because they don't have a lot of money and they have many things, indeed, they need to spend that money on—versus wealthy individuals who do have money, who have high wealth-functions, who tend to save money and put those funds into investments such as their second, third or fourth investment property. So a bigger tax offset for lower income earners is better for the economy than a tax cut for millionaires.

I just remind the chamber that 50 per cent of the benefit, the value, of these tax cuts will go to the top 20 per cent of Australian income earners. How is that fair? It totally guts the progressive tax system and the fundamental principle of fairness that those who earn more—such as every one of us in this chamber—pay more. This country was set up on the back of that. That's how we've funded our social safety net, our infrastructure and our nation for nearly a hundred years. The Greens believe this is the best way to use the personal income tax system to stimulate the economy and look after those battlers and the most vulnerable in this country. It's the best way to tackle inequality, and I urge the chamber to support our amendments.

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (17:55): The government will oppose these amendments. Under our plan, once fully implemented, those who earn more will continue to pay more. In fact, at the end of the seven-year phase-in period of our income tax relief plan, by 2024-25, the top one per cent of income earners will pay slightly more in terms of the proportion of all income tax revenue generated. The top five per cent will pay about the same. The top 20 per cent will continue to pay about 60 per cent of all income tax
generated; they're paying about 60 per cent of all income tax generated now and will pay about 60 per cent of all income tax generated in 2024-25. If we don't do this, essentially bracket creep will push more and more middle-income earners into the higher tax brackets, leaving them worse off. That is what you call bracket creep, which is a drag on the economy, which weakens the economy over time and is essentially what undermines aspiration if left unaddressed. That is why we need to ensure that this legislation is passed in full.

**The CHAIR:** We're dealing with amendment (1) on sheet 8689. At the conclusion of this count we will deal with schedule 2. The question is that the amendment be agreed to.

The committee divided. [18:01]

(The Chair—Senator Lines)

| Ayes | ..........................9 |
| Noes | ..........................57 |
| Majority | ..................48 |

**AYES**

- Di Natale, R
- Hanson-Young, SC
- Rice, J
- Steele-John, J
- Whish-Wilson, PS
- Faruqi, M
- McKim, NJ
- Siewert, R (teller)
- Waters, LJ

**NOES**

- Abetz, E
- Askew, W
- Bilyk, CL
- Bragg, A J
- Canavan, MJ
- Chandler, C
- Colbeck, R
- Davey, P
- Duniam, J
- Fawcett, DJ
- Fifield, MP
- Gallagher, KR
- Griff, S
- Hume, J
- Lambie, J
- McAllister, J
- McDonald, S
- McKenzie, B
- O'Neil, DM
- Paterson, J
- Pratt, LC
- Roberts, M
- Ryan, SM
- Seselja, Z
- Sinodinos, A
- Smith, M
- Urquhart, AE (teller)
- Walsh, J
- Antic, A
- Ayres, T
- Birmingham, SJ
- Brockett, S
- Carr, KJ
- Ciccone, R
- Cormann, M
- Dodson, P
- Farrell, D
- Fierravanti-Wells, C
- Gallacher, AM
- Green, N
- Hughes, H
- Kitching, K
- Lines, S
- McCarthy, M
- McGrath, J
- McMahon, S
- O'Sullivan, M
- Patrick, RL
- Rennick, G
- Ruston, A
- Scarr, P
- Sheldon, A
- Smith, DA
- Stoker, AJ
- Van, D
- Watt, M

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**CHAMBER**
Question negatived.

The CHAIR: The question is that schedule 2 on sheet 8689 stand as printed.

Question agreed to.

Senator GALLAGHER (Australian Capital Territory—Shadow Minister for Finance, Shadow Minister for the Public Service and Manager of Opposition Business in the Senate) (18:05): by leave—I move amendments (1) and (2) on sheet 8684 together:

(1) Schedule 2, page 5 (before line 4), before item 1, insert:

<table>
<thead>
<tr>
<th>Item</th>
<th>For the part of the ordinary taxable income of the taxpayer that:</th>
<th>The rate is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>exceeds the tax-free threshold but does not exceed $37,000</td>
<td>19%</td>
</tr>
<tr>
<td>2</td>
<td>exceeds $37,000 but does not exceed $90,000</td>
<td>32.5%</td>
</tr>
<tr>
<td>3</td>
<td>exceeds $90,000 but does not exceed $180,000</td>
<td>37%</td>
</tr>
<tr>
<td>4</td>
<td>exceeds $180,000</td>
<td>45%</td>
</tr>
</tbody>
</table>

Tax rates for resident taxpayers for the 2018-19, 2019-20, 2020-21 or 2021-22 year of income

(2) Schedule 2, page 6 (before line 1), before item 3, insert:

2A Clause 1 of Part III of Schedule 7 (table dealing with tax rates for working holiday makers for the 2018-19, 2019-20, 2020-21 or 2021-22 year of income)

Repeal the table, substitute:

<table>
<thead>
<tr>
<th>Item</th>
<th>For the part of the taxpayer’s working holiday taxable income that:</th>
<th>The rate is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>exceeds the tax-free threshold but does not exceed $37,000</td>
<td>19%</td>
</tr>
<tr>
<td>2</td>
<td>exceeds $37,000 but does not exceed $120,000</td>
<td>32.5%</td>
</tr>
<tr>
<td>3</td>
<td>exceeds $120,000 but does not exceed $180,000</td>
<td>37%</td>
</tr>
<tr>
<td>4</td>
<td>exceeds $180,000</td>
<td>45%</td>
</tr>
</tbody>
</table>
This amendment seek to bring forward one element of stage 2 of the government's tax package. I have spoken in my second reading speech about this. Briefly, it recognises that the economy needs a boost now, so it supports stage 1 of the tax cuts. It ensures that there is a tax cut for every worker in this parliamentary term. It is responsible in the sense that, yes, it will cost more in the short term. We are aware that the government is forecasting a surplus of just over $7 billion. Bringing forward the lifting of the tax bracket from $90,000 to $120,000 in this financial year would have a budget impact in the order of $3.6 billion, but it would certainly—based on the current projections of the government and the Treasury—ensure that there was a surplus maintained. It is being responsible. It ensures that there is a tax cut for every worker in this parliamentary term.

At the moment, if this amendment doesn't get up, we will only see low- and middle-income earners, through the tax offset, getting an actual tax cut. The rest of the working people in Australia will have to wait until 2022-23 for this change to come into effect. Of course, it is longer for those outside of stage 2. We would urge those who do care about the economy and who do recognise that the economy needs stimulus now to recognise that this amendment would assist on that front and that it would ensure that there is a tax cut for every worker. For those who aren't going to support this, they will be voting against a tax cut for every worker in Australia if they do not support this amendment by the opposition.

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (18:08): The government will be opposing this amendment for the reasons that I have extensively canvassed in my second reading speech. Our plan provides income tax relief to all working Australians but in a way that is fiscally responsible. Our plan is economically necessary and fiscally responsible. The Labor Party went to the election arguing for higher taxes as the pathway to a stronger economy, and now they are saying that they have rediscovered the virtue of lower taxes. It just doesn't hang together. Our plan is economically and fiscally responsible, and we will be opposing this amendment.

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**Tax rates for working holiday makers for the 2019-20, 2020-21 or 2021-22 year of income**

<table>
<thead>
<tr>
<th>Item</th>
<th>For the part of the taxpayer's working holiday taxable income that:</th>
<th>The rate is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>does not exceed $37,000</td>
<td>15%</td>
</tr>
<tr>
<td>2</td>
<td>exceeds $37,000 but does not exceed $90,000</td>
<td>32.5%</td>
</tr>
<tr>
<td>3</td>
<td>exceeds $90,000 but does not exceed $180,000</td>
<td>37%</td>
</tr>
<tr>
<td>4</td>
<td>exceeds $180,000</td>
<td>45%</td>
</tr>
</tbody>
</table>
Senator WHISH-WILSON (Tasmania) (18:08): As the Greens just flagged in this place, we do want to see an increase in the low-income tax offset for genuine low-income workers in this country. Stage 2 does increase the maximum low-income tax offset from $645 to $700, but what it mostly does is convert the low- and middle-income tax offset—LMITO—into a tax cut by increasing the upper threshold of the 19 per cent tax bracket. This locks in tax cuts for all Australians, including the most wealthy Australians. The Greens were very clear in the last parliament, when the last tax package was implemented, and we have since been consistent and clear that we support increasing the low-income tax offset, but we do not support changing the tax thresholds. That will give a tax cut that will mostly benefit, substantially benefit, the wealthiest Australians.

I also want to make this very clear to anyone listening to this debate. This stage 2 of the government's plan, as legislated in this bill, gives a full benefit of the LMITO to everyone earning over $90,000 in Australia. If you think that's not high-income earners in Australia—that it's not those earning $180,000, $200,000, $300,000, millionaires—then I think you've got rocks in your head. Stage 2 destroys the progressive nature of the low- and middle-income tax offset. So Labor, with this amendment, not only support giving everyone in this country earning more than $90,000—in other words high-income earners, including those earning $200,000 or $1 million—an extra $540 each year on top of the extra $540 that they've already been given but they also want to give this tax cut away quicker by bringing it forward. So in Labor's book, reading from this amendment, the government is not giving tax cuts to the top 10 per cent of Australians or the top 20 per cent of Australians quick enough; they want it brought forward.

The Greens will not support an assault on the progressive tax system in this country. That's why we've made it very clear tonight that we'll support giving more money to low-income Australians who are working hard and battling, but we will not change the system and make it regressive.

The CHAIR: The question is that opposition amendment Nos (1) and (2) on sheet 8684 be agreed to.

The committee divided. [18:17]

(The Chair—Senator Lines)

Ayes .................... 21
Noes .................... 43
Majority ............... 22

AYES

Ayes, T            Carr, KJ
Chisholm, A            Ciccone, R
Dodson, P                Farrell, D
Gallacher, AM            Gallagher, KR
Green, N                  Keneally, KK
Kitching, K           Lines, S
McCarthry, M            O'Neill, D
Pratt, LC                  Sheldon, A
Smith, M                Urquhart, AE (teller)
Walsh, J                   Watt, M
Wong, P

CHAMBER
Senator GALLAGHER (Australian Capital Territory—Shadow Minister for Finance, Shadow Minister for the Public Service and Manager of Opposition Business in the Senate) (18:20): The opposition opposes items 2 and 4 in schedule 2 in the following terms:

1. Schedule 2, item 2, page 5 (starting at line 11), to be opposed.
2. Schedule 2, item 4, page 6 (starting at line 8), to be opposed.

This amendment essentially carves out stage 3 from the government's tax package. I spoke at length in the second reading debate about this. Frankly, we think it is irresponsible to ask the parliament to sign up now, five years ahead of the date of effect, without having any idea what state the budget or the economy will be in at that time. The amount of money that the government is seeking to allocate to this element of the tax package is $95 billion over the medium term. We have five years until they come into effect. As we have consistently said in both houses, we think it is irresponsible to sign up to that element of the tax package.

In an effort to cooperate and conciliate an outcome that was in the interests of all Australians, which was to facilitate the tax cuts flowing as soon as possible through the LMITO, we had asked the government to remove stage 3 from this package. The government
arrogantly refused to even consider it. We have attempted to convince the crossbench. As we now know, we have been unable to convince the crossbench of the merits of this approach. But we do remain extremely concerned about the effect of signing up to this sort of expenditure five years out—as that expenditure grows over the medium term to 2029-30 the budget will be forced to find $19 billion that is currently unaccountable for—and the effect it will have in terms of the savings required and the cuts to government programs that will be required to fund that element of the tax package.

The government has consistently failed to answer how they would be funded. We know the physical parameters they put in their pre-election budget outlook, which had growth in government spending extremely low in historical terms at 1.3 per cent. We know they are forecasting bigger surpluses and greater expenditure in terms of tax cuts, plus a limit on a tax cap put in the budget. You are capping your tax growth, you are reducing your government expenditure growth to 1.3 per cent, you are forecasting bigger surpluses and you are having to fund $19 billion. We don't get how that adds up, and the government has failed at every opportunity to explain exactly how that would be done.

So we are putting this amendment. We believe it is important. We wish the government had agreed with us to take this stage out and bring it back as a separate package, but we strongly believe that this amendment delivers the right outcome, which would be not to require the parliament to sign up to tax cuts that have no explanation about how they are being afforded, that don't come in until five years from now and that have no impact in this parliamentary term.

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (18:24): The government opposes these amendments. In doing so, I make the point that there is nothing arrogant about keeping faith with the verdict of the Australian people at the most recent election. There is nothing arrogant about acting and delivering on the promises that we as a government made in the lead-up to the election. That is what the Australian people expect us to do. This was a central part of the policy contest in the lead-up to the last election. We were absolutely and explicitly arguing for the need to have income tax relief for all working Australians—not to turn Australian against Australian, not to pursue the politics of envy, but to pursue income tax relief for all working Australians—prioritising low- and middle-income earners but also providing structural reform to take the bracket creep monkey off all working Australians to ensure that we continue to support aspiration. If bracket creep remains unaddressed, it weakens the economy over time.

In relation to the argument that this doesn't come into effect until 2024-25: as Senator Lambie quite rightly pointed out, Australians actually want to see long-term vision. They don't want governments to just look over the next three years. We've phased in a comprehensive plan for income tax relief in a way that is fiscally responsible as well as economically necessary. As I've said previously: if the Labor Party is so committed to rolling it back and if the Labor Party is so committed to increasing taxes in the future, then, given that there is another election, as they observe, they can take a policy to the next election seeking to persuade the Australian people to increase income taxes again.
I reject the assertions that were made that this is supposedly not funded. The Pre-election Economic and Fiscal Outlook is released independently by the secretaries of Treasury and Finance, not by the government.

Senator Wong: It shows what you're going to cut.

Senator Cormann: That is completely and utterly false. What the Pre-election Economic and Fiscal Outlook shows is that, after we have accommodated the increased expenditure over the medium term—the record funding for hospitals, schools, infrastructure and all of the other essential services Australians rely on—and after we've accommodated the cost of our phased-in income tax relief plan, our budget is in surplus from 2019-20 onwards and remains in surplus all the way over the forward estimates and over the medium term. That is what you call having paid for the cost of your policy decisions. That is what the Pre-election Economic and Fiscal Outlook, independently certified, shows.

The final point is that this amendment is the Labor Party persisting with a pre-election argument that was absolutely and emphatically rejected by the Australian people. The Australian people voted in favour of income tax relief for all working Australians. They voted against Labor's high-taxing politics-of-envy agenda. That is why, in keeping faith with the verdict of the Australian people, we will vote against this amendment.

Senator Wong (South Australia—Leader of the Opposition in the Senate) (18:26): I rise to speak on this amendment, and I want to make a few comments. To those who don't wish to stay: feel free not to stay! I'm sure Senator Cormann will stay, and he'll be very pleased to listen to what I have to say about why stage 3 is a problem.

We've outlined, both here and in the other place, Labor's position on these tax bills, which has been framed by three principles: the Australian economy needs help now, not in three or five years time; every worker needs a tax cut this term, not in three or five years time; and it is irresponsible to sign up to $95 billion worth of expenditure in 2024-25 without knowing how the budget will look then. Labor's highest priority has been to get money into the hands of workers and circulating through a weak economy. The reality is that, under this government, the economy has deteriorated markedly—even since the last election. You know what the government's priority has been? It has been $95 billion worth of tax cuts in five years that they don't want to say how they'll pay for. They won't say how they'll pay for them.

I want to return to this issue of where the economy is, because it is relevant to the decisions that Labor has outlined and the principled economic position it has taken. Frankly, the Australian economy needs a boost now—not in 2022 or in 2025. No lesser authority than the RBA has made that clear, with two interest rate cuts in two months to the lowest official cash rate in our history; we're at one per cent. In the global financial crisis it was 3.25 per cent; it is now less than a third of that. We've got the slowest economic growth in a decade. This is from the great economic managers of the coalition: the slowest economic growth in a decade; the longest per capita recession since the '82 recession; wages barely moving; new car sales have dried up; building approvals have plummeted; retail sales are barely moving; and ANZ job vacancies are down for the first time in three years. What great economic management! That's why we were prepared to support stages 1 and 2. But what we're actually arguing about here is stage 3—what happens in five years time—and we think it is irresponsible to sign up to $95 billion worth of expenditure from the budget now, five years before that starts, with
absolutely no means to pay for it. That's $95 billion over six years—$12½ billion per annum in 2024-25 which grows to nearly $19 billion per annum by 2029-30.

The first year alone of the tax cuts that the crossbench, apart from Senator Hanson and Senator Roberts, have signed up for amounts to more than the government will spend on government schools—$8.3 billion—and more than the government will spend on universities or the childcare subsidy. The amount that these tax cuts cost in 2029-30 is, today, close to the entire Commonwealth spend on public hospitals. These are massive numbers with far-reaching consequences for health and for education, and actually for the sort of society we want for Australia, and we have absolutely no way, and the government has no way, of forecasting in 2019 how it can pay for $95 billion worth of tax cuts in 2024-25. The reality is that the government is actually locking in tax cuts without identifying the spending cuts which are required to fund them. That's the hard reality: it's locking in tax cuts without identifying the spending cuts which it will have to identify in order to pay for them.

The government talks a lot about a mandate. I will tell you what it has absolutely no mandate for: it has no mandate for the spending cuts to pay for the income tax cuts, because it won't tell Australians what they are. In fact, it's denying that they exist. The Treasurer, during the election, made clear that there were no spending cuts. When the Grattan Institute pointed out that it came to $40 billion a year, in terms of the gap between the government's tax promises and its spending promises, Labor state and territory treasurers demanded that the Treasurer guarantee no further funding cuts to hospitals, schools, infrastructure and other essential services. Mr Frydenberg blithely dismissed their concerns. He wrote to them. He said PEFO made sure it's all clear and that there were no spending cuts. Do you know what? The budget assumes spending cuts. The assumptions are that government spending will magically fall from 24.6 per cent of GDP this year to 23.6 per cent. Under your government, government spending actually averaged at 25 per cent of GDP over the last five years, so you actually have to reduce—

**Senator Cormann:** Grow the economy.

**Senator WONG:** Grow the economy? You're doing really well on that front, mate! You're doing really well on that front. Where is growth? Where are interest rates? This is his answer: 'We're just going to grow the economy and then we'll reduce how much government is spending because the pie is bigger.' Yes, I've heard that before.

**Senator Watt:** He's going to magic it.

**Senator WONG:** We've heard that before: magically, the pie becomes bigger. Twenty-three point six per cent. You've locked in spending cuts in your budget and the only way you can avoid that conclusion is the interjection you just made, Senator Cormann: the economy is going to be bigger. Well, that's going really well on your watch at the moment. We've got an ailing economy. In fact, the Grattan Institute has calculated that, in order to get to the projected spending levels, real spending growth would need to average 1.3 per cent per annum over the decade, and 1.8 per cent if the economy performs better. Either way, this is substantially lower than what any previous government has achieved. What this government is locking in is, in fact, in real terms, a fall in spending for things like dental health, tertiary education, family payments, social housing, potentially defence, and veterans, but it won't tell us where it is.
Let's just talk about health for a minute. Health expenditure grows faster than the economy and health expenditure grows faster than inflation. And, whilst it's not as high as it was five or 10 years ago, I think that in the last year it was at 4.5 per cent per annum. According to these budget figures, guess what health expenditure grows at: 0.7 per cent. It's currently growing at 4.5 per cent. You're going to make sure it grows at 0.7 per cent as the population ages and more health expenditure is required, and you say that isn't going to require cuts to public hospitals or cuts to Medicare?

Of course it will. It is the inexorable logic of numbers. Four and a half per cent declining to 0.7 per cent at the same time as the population ages—there is only one way you fund that and that is through expenditure cuts. When was the last time anybody's private health insurance bill only increased by 0.7 per cent? With this stage 3, the government is locking in—and refusing to be up-front about it—cuts to health and cuts to education, cuts across the board, and you have a mandate for none of it. You have a mandate for none of it.

I commend this amendment to the chamber. It is disappointing that Senators Patrick and Griff and Senator Lambie have fallen for the hostage trick, where a government is today holding tax cuts—which I think everybody in this chamber agrees with—hostage to what is actually an ideological argument about what happens in five years time. There is an opportunity for the chamber to require the government of the day to actually be up-front about how they're going to pay for their tax cuts, rather than locking in a permanent reduction in government expenditure and a permanent reduction in health expenditure in five years time as a consequence of this tax cut.

Senator CORMANN (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (18:36): I can't leave these statements unanswered. The 2019 PFO, independently released by the secretaries of Treasury and Finance, completely destroys any claims about supposed hidden spending cuts in our budget. They are ridiculous claims and they have been exposed as just another lie during the campaign. There are no assumed, undisclosed future spending cuts in the government's medium-term projections.

In contrast, though, when Labor were last in government what did Labor do? They assumed that a spending quote would be able to be contained to two per cent in real terms, year on year. Indeed, the 2013 PFO exposed that Labor backed secret, undisclosed—in fact, then undecided—future spending cuts into the medium-term projections in the 2013-14 budget. The 2013 PFO reported that real payments growth was expected to average 3.5 per cent per year over the medium-term, which was ignored by the then Labor government. They ignored that fiscal reality in front of them. Instead of doing the hard yards on saving decisions, their spending projections were artificially based on an imposed forecasting assumption that real spending growth would be kept below two per cent on average per year until the budget was in surplus of one per cent as a share of GDP.

Neither Labor's track record of actual real spending growth of four per cent on average per year during their time in office nor their own underlying spending growth projections of 3.5 per cent beyond the then forward estimates supported that forecasting assumption of two per cent. Imposing that two per cent cap on real expenditure growth on their medium-term expenditure projections, irrespective of what was actually expected to happen at the time,
effectively locked in $175 billion of secret, undisclosed—in fact, then undecided—future spending cuts over that medium-term period into their budget.

In our budget—I'll say it again—the secretaries of Finance and Treasury made very clear that there are no assumed future spending cuts in our medium-term projections. The medium-term projections are based on an assumption of no policy change. That includes an assumption of no policy change to reduce expenditure.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (18:38): I can't let that pass either. You're still not being up-front, are you? Government spending under you is about 25 per cent of GDP. It's currently 24.6 per cent, and I think it's 25 per cent on average over the last number of years. You're projecting that it will fall to 23.6 per cent of GDP, and your only answer to that is: 'We're going to grow the economy.'

Senator Cormann: Which is what we've done before.

Senator WONG: So the economy is going to grow when interest rates are one per cent and growth is where it is? You're presiding over a struggling economy; that is the reality, and that is why we are prepared to support the tax cuts at stage 1 and stage 2. Your answer on stage 3 is: 'The economy will be bigger.' You are forecasting a reduction in government spending as a proportion of the economy, and you won't tell Australians where that's coming from.

Senator WHISH-WILSON (Tasmania) (18:39): It's good to see some debate between the opposition and the government. It's a bit late in proceedings, but it is good to see. The Greens don't support stage 2 of these tax cuts, for the simple reason that they gut the progressive tax system.

Senator Wong: We're on stage 3.

Senator WHISH-WILSON: Keep it up, it is good to hear. We certainly won't be supporting stage 3, which reduces the tax bracket from 32½ per cent down to 30 per cent—a $95 billion effective tax cut for mostly wealthy Australians. In his exchange tonight with Senator Wong, Senator Cormann was right about one thing that I think we should all be very conscious of. If Labor opposes the stage 3 tax cuts here today in the Senate, will they take this to the next election? Will they commit to repealing stage 3 if they get elected to government in Australia? I think that would be transparency. That would be fair. Will you commit to repealing stage 3 if you get elected to government? That's what I would like to know and I think a lot of your voters and supporters would like to know. Will you go to the next election with a commitment to repeal stage 3 of these tax cuts? It is fine to put up in here an amendment that you know is going to go down, but nevertheless, I suspect that very soon you're going to be supporting the entire tax package.

Why are we voting here tonight on stage 3, a $90 billion tax cut, five years down the track? We've all spoken about the headwinds the economy is sailing into at the moment. No-one is denying that. Five years in any economic cycle is way beyond anyone's predictive capacity to get right. There is considerable uncertainty trying to forecast even five months out, let alone five years out. Don't forget the political imperative of this legislation. Don't forget that this legislation was brought in by the coalition just weeks before the election. This was a budget election. This is budget legislation. It is a political imperative for the coalition to have this passed tonight. Why five years out? That's a really good question to ask, especially
considering the risks, and especially considering, as has been pointed out by numerous 
experts, the impost on any future government of having to find $158 billion in difficult times. 
There has been no detail as to where that money is going to come from.

The government is still sticking to this magic-pudding economics that it is going to have 
surpluses at the same time that it has to find $158 billion in expenditure. In my opinion, the 
only reason the government is locking this in now is for its base. It's locking this in now so 
that its base, the Liberal and National Party voters, know they're going to get their tax cuts in 
five years and they want the Labor Party to run the gauntlet and step up and say whether they 
will or won't oppose these tax cuts. 'I dare you!'—that's what this is. This is the government 
clearly saying to its base, 'We'll legislate this,' and it would be a very brave opposition that 
would repeal tax cuts once they have been legislated. This is all about securing the votes of 
your base, making sure you don't lose any votes to the Labor Party in the future. There is no 
economic rationale for committing this country to $90 billion in tax cuts that 
predominantly 
flow to high-income earners in five years time. The Grattan Institute, as I mentioned today in 
my speech on the second reading, said that it is extraordinary and indeed is unprecedented.

We will be supporting the Labor amendment to knock out stage 3, and we urge the Labor 
Party to vote against the entire package.

**The CHAIR:** The question is that items 2 and 4 of schedule 2 stand as printed.
The committee divided. [18:48]

(The Chair—Senator Lines)

Ayes ......................34
Noes ......................32
Majority ....................2

**AYES**

Abetz, E
Askew, W
Bragg, A J
Canavan, MJ
Colbeck, R
Davey, P
Fawcett, DJ
Fifield, MP
Hughes, H
McDonald, S
McKenzie, B
O'Sullivan, M
Patrick, RL
Ruston, A
Scarr, P
Sinodinos, A
Stoker, AJ

**NOES**

Ayres, T
Brown, CL
Chisholm, A

**CHAMBER**
Question agreed to.

**Senator GALLAGHER** (Australian Capital Territory—Shadow Minister for Finance, Shadow Minister for the Public Service and Manager of Opposition Business in the Senate) (18:50): Labor has moved a number of amendments tonight to reflect the position that we've taken on this tax bill. Those amendments, unfortunately, have not won the support of this chamber, despite the fact that they are all responsible and sensible changes to ensure that the economy gets a boost now and that every Australian worker gets a tax cut but that this chamber and the parliament aren't asked to support $95 billion worth of expenditure in five years time without knowing what the budget or the economy will look like at that time.

However, our priority, through the debate, has always been to get more money into the hands of more workers sooner—and to boost the economy, which is certainly struggling under this Liberal government. We took bigger, fairer tax cuts to the election for people on low and middle incomes, and, after the election, we proposed amendments which were all about passing the first two stages, bringing forward parts of stage 2 but removing stage 3 from the bill. We fought hard for these amendments. We fought hard for these amendments in the House and we have fought hard for them in the Senate. We have lobbied the government and we have lobbied the crossbench. But, ultimately, we have not won the support for these amendments to pass tonight.

Today, this afternoon, for the second time, the government voted against their own tax cuts being delivered sooner, and, by doing so, they have refused a tax cut for every worker in Australia this parliamentary term. They have said: 'We don't care about you. We want you to wait three years or five years down the track.'

When it became impossible to get everything we wanted, we did have to prioritise what matters most. We wanted to make sure that Australians would receive their tax cut now and that those benefits that will come from the first stage start flowing through the economy and
that they aren't further delayed. Of course, the first promise broken by this government was that these tax cuts would be in place by 1 July. But we believe they shouldn't be delayed any further.

The government's highest priority was to commit to a $95 billion tax cut in five years time without revealing what they will cut to pay for it or knowing what the budget and the economy will look like at that point, and we had the finance minister accept that they are reducing government spending in the medium term—

**Senator Cormann:** As a share of the growing economy.

**Senator Gallagher:** That's right—as a share of the economy, because the pie's growing but the government's spending as a proportion of that is declining, and we know what that means: that means smaller government; smaller services; less money going into key services like health, aged care, child care, education and veterans' health. All of these important areas of government expenditure, will be under attack by this government—have no doubt about it. We have argued that it is irresponsible to commit to stage 3 five years out. That remains our view. But, ultimately, we have not won that debate tonight, and we have not been able to defer stage 3 from this bill.

We will review stage 3 closer to the next election, and, of course, like every political party in this place, will propose our own policies, which will take into account the economic and budget conditions at that time. But we will not put ourselves in the position that the Greens are in—and we have been under consistent attack from them this afternoon. We will not refuse tax cuts to Australians on low and middle incomes just because we have failed to get our amendments up today. We think that would be irresponsible. We think it would be irresponsible in the short term. It's not what the economy needs. And we have to accept that stage 1 needs to get through. We've failed in asking the government to defer stage 3. When they failed to do it, we moved amendments to do it. When those amendments didn't get up, we were left with a decision about what to do. And our decision has been that we need to allow those tax cuts that are due in this parliamentary term to flow to those who need them the most. We cannot stand in the way of those, and we will not, and that means we will support the passage of this bill tonight.

**Senator Di Natale** (Victoria—Leader of the Australian Greens) (18:55): What a dark day in Australian politics. What a dark, dark day in Australian politics. You know there are people tonight deciding whether they're going to pay the rent or put food on the table. There are parents tonight who are deciding whether they can afford to buy schoolbooks for their kids or send their kids to school camp. There are people tonight deciding whether they can afford to pay for medicines or fix up their car. And today the Liberal Party has decided to give $90 billion to politicians, to millionaires, to CEOs and to bankers. That's what has happened today.

The Liberal Party call themselves a party of responsible economic management. There is nothing responsible about ripping $90 billion from our budget and lining the pockets of the wealthiest Australians. You call yourselves responsible economic managers and you say this won't impact on services. Well what crap! What utter crap! Ninety billion dollars, money that should be spent on Newstart, on Medicare funded dental care—

**The Chair:** Senator Di Natale, you've used unparliamentary language—

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**Senator Cormann:** Senator Di Natale, you've used unparliamentary language—

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The CHAIR: Senator Di Natale, please resume your seat. I hadn't finished. I'm asking you to withdraw that unparliamentary language please.

Senator Di Natale: I withdraw 'crap' and replace it with 'rubbish', with 'nonsense'—

The CHAIR: Senator Di Natale, please resume your seat. On many occasions I've requested that senators not repeat the unparliamentary language, as you just did, so please just withdraw and continue.

Senator Di Natale: I withdraw.

The CHAIR: Thank you.

Senator Di Natale: It's utter nonsense. It's rubbish. It's garbage. It is an untruth. You cannot take $90 billion from the budget and not have an impact on our services, on our schools, on our hospitals, on Newstart, on all of the things that we know are the foundations of a decent society. You call yourselves responsible economic managers; you're not. You're just continuing the failed trickle-down economics that have led us to this mess, that have entrenched economic inequality in this country.

The Labor Party rightly campaigned against economic inequality in the last election. They showed some courage. They recognised that the tax system was a powerful tool to ensure that the rich don't keep getting richer while the poor get screwed. They made sure in that election campaign that they offered a choice, and it was the right choice. And what are you doing today, your first real test? You're capitulating; you're caving in. You're basically saying, 'We're waving the white flag because we aren't going to take it up to you.' What a disgrace! The Labor Party, which have supported progressive taxation for a hundred years, are now saying: 'We are with the neo-Liberals. We are with the Tories. We are with a party that wants to take Australia down the path of Trump's America.' Well, show some courage; toughen up. Be an opposition; take the fight up to them. There are so many Australians in this country who are crying out for leadership, and you've crumbled. You've given in at the first sign of pressure. People held high hopes for Anthony Albanese, but if this is a sign of where the modern Labor Party are going, well, frankly, we're stuffed.

The Greens today, almost single-handedly, have shown themselves to be the real opposition in this parliament. We will fight at the next election to make sure these tax cuts are repealed, and we call on you to join us, to work with us, to make sure that the tax system is used to address inequality; not entrench it, not continue the divide that exists in Australia, where if you've got the means we'll look after you and if you haven't, well, tough luck. That's not the Australia I know. That's not the Australia I believe in. That's not the Australia that I think most Australians want for themselves or for their children. Make no mistake: we will unequivocally put the spotlight on you to make sure you repeal this vile piece of legislation at the next election.

Senator Roberts (Queensland) (19:00): My question is to Senator Cormann but, before I put that question, I must say how appalled I am at that outburst from Senator Di Natale. There is nothing more regressive than the impost on energy that the Greens Party has put on the poor in this country. Senator Cormann, I express my appreciation to you for the advice from Treasury and for making the staff available. They were very helpful. One of the
questions I put to them was to explain the impact of where the money would go in the economy. They said to me they couldn't. So I would like to know how the Treasury has modelled the impact of these tax cuts in terms of economic growth.

**Senator CORMANN** (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (19:01): Firstly, what we've got to remember is that this is not the government's money; it's the people's money. The government, through this legislation—which we are asking the Senate to support—will ensure that working Australians get to keep more of their own money, on the terms as outlined in the bill. You ask where in the economy that money will go. It will go where individual Australians decide to spend it. Of course, the income tax relief prioritises low- and middle-income earners in the first instance, which will help them deal with cost-of-living pressures. Then, over a period, we're phasing in further reforms which are designed to ensure that bracket creep does not continue to run rampant, unabated. If we don't take the bracket creep monkey off people's backs, if we don't address bracket creep, more and more middle-income earners will be pushed into the higher-income tax brackets. That undermines aspiration and, over time, weakens the economy. If we did nothing, hardworking Australians would actually go backwards, because middle-income earners would be pushed into higher income tax brackets. That has been the core part of this debate. And, of course, we trust individual Australians to make the judgement about where they can best spend their money, on their personal priorities and the priorities of their families.

**Senator ROBERTS** (Queensland) (19:02): Chair, through you, a question to Senator Cormann: you haven't identified where the money will be spent. Will it be spent on imports? Will it be spent on domestic products? Will it be spent as disposable income or on essentials? That's what we need to know to assess the impact on the economy. That's what I was after.

**Senator CORMANN** (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (19:03): I've answered that as best I can by saying that that comes down to the choices of individual Australians in terms of where they want to spend their money. The government does not have some sort of process whereby we prescribe where people can spend their own money. What we're saying is that we are making a decision as a parliament to leave people with more of their own money. They can spend it on their priorities—on their individual priorities, on the priorities of their families—or however they want to spend it.

**Senator ROBERTS** (Queensland) (19:03): Through you, Chair: I accept that, Senator Cormann. We are in favour of individuals keeping more of their money rather than having the government dictating how it is spent. But you're now releasing some of that money and you're saying you don't know where it will be spent, so how can you assess the impact on the economic growth? You can say that individuals will get more money—we can see that. But will they spend it on imports? Will they spend it on exports? Until you answer that question accurately, you don't know the impact on economic growth.

**Senator CORMANN** (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (19:04): What we do know is that, as is projected, $158 billion—money that people will no longer have to hand over to the government—will be spent in the economy by working families around Australia. That will, obviously, because of the way the package is designed, provide much needed cost-of-
living pressure relief to low- and middle-income earners in the first instance. It will also ensure that all working Australians continue to have the right incentive and reward for effort, which will help us ensure that the economy remains strong and grows stronger into the future.

**Senator ROBERTS** (Queensland) (19:04): I am not going to ask the question again, because I’ve just learnt three different ways of saying the same thing—which means nothing. Senator Cormann, I remind you of a question that I put to you informally just next door not long after I joined the Senate in 2016. I said, ‘When will we ever face real tax reform in this country?’ You said, ‘No; it’s too difficult.’ I accept the comments about bracket creep, but why don’t we get rid of bracket creep all together? Would you be willing to explore that at some time?

**Senator CORMANN** (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (19:05): This is real tax reform, and I commend it to the Senate.

Bill agreed to.

Bill reported without amendments; report adopted.

**Third Reading**

**Senator CORMANN** (Western Australia—Minister for Finance, Vice-President of the Executive Council and Leader of the Government in the Senate) (19:06): I move:

That this bill be now read a third time.

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

The Senate divided. [19:10]

(The President—Senator Ryan)

Ayes .....................56
Noes .....................9
Majority...............47

**AYES**

Abetz, E
Askew, W
Bilyk, CL
Bragg, A J
Canavan, MJ
Chandler, C
Ciccone, R
Cormann, M
Dodson, P
Fawcett, DJ
Fifield, MP
Gallagher, KR
Griff, S
Keneally, KK
Lambie, J
McAllister, J
McDonald, S
McKenzie, B
O’Neill, DM
Paterson, J

Antic, A
Ayres, T
Birmingham, SJ
Brockman, S
Carr, KJ
Chisholm, A
Colbeck, R
Davey, P
Duniam, J
Fierravanti-Wells, C
Gallacher, AM
Green, N
Hughes, H
Kitching, K
Lines, S
McCarthy, M
McGrath, J
McMahon, S
O’Sullivan, M
Patrick, RL
AYES
Pratt, LC  Rennick, G
Ruston, A  Ryan, SM
Scarr, P  Seselja, Z
Sheldon, A  Sinodinos, A
Smith, DA (teller)  Smith, M
Sterle, G  Stoker, AJ
Van, D  Walsh, J
Watt, M  Wong, P

NOES
Di Natale, R  Faruqi, M
Hanson-Young, SC  McKim, NJ
Rice, J  Siewert, R (teller)
Steele-John, J  Waters, LJ
Whish-Wilson, PS

Question agreed to.
Bill read a third time.

The PRESIDENT: Pursuant to order agreed to earlier today, the Senate will now adjourn without debate.

Senate adjourned at 19:14