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SITTING DAYS—2015

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FORTY-FOURTH PARLIAMENT
FIRST SESSION—SEVENTH PERIOD

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

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

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

Printed by authority of the Senate
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<th>Senator</th>
<th>State or Territory</th>
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<td>Brandis, Hon. George Henry, QC</td>
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Pursuant to section 42 of the Commonwealth Electoral Act 1918, the terms of service of the following senators representing the Australian Capital Territory and the Northern Territory expire at the close of the day immediately before the polling day for the next general election of members of the House of Representatives.

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(1) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice R. Carr), pursuant to section 15 of the Constitution.
(2) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice J Faulkner), pursuant to section 15 of the Constitution.
(3) Chosen by the Australian Capital Territory Legislative Assembly to fill a casual vacancy (vice K. Lundy), pursuant to section 15 of the Constitution.
(4) Chosen by the Parliament of Queensland to fill a casual vacancy (vice B. Mason), pursuant to section 15 of the Constitution.
(5) Chosen by the Parliament of Tasmania to fill a casual vacancy (vice C. Milne), pursuant to section 15 of the Constitution.

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

Heads of Parliamentary Departments
Clerk of the Senate—R Laing
Clerk of the House of Representatives—D Elder
Acting Secretary, Department of Parliamentary Services—D Heriot
Parliamentary Budget Officer—P Bowen
<table>
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<th>Title</th>
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<tr>
<td><strong>Prime Minister</strong></td>
<td>Hon. Malcolm Turnbull MP</td>
</tr>
<tr>
<td><strong>Minister for Indigenous Affairs</strong></td>
<td>Senator the Hon. Nigel Scullion</td>
</tr>
<tr>
<td><strong>Minister Assisting the Prime Minister for the Public Service</strong></td>
<td>Senator the Hon. Eric Abetz</td>
</tr>
<tr>
<td><strong>Minister Assisting the Prime Minister on Counter-Terrorism</strong></td>
<td>Hon Michael Keenan MP</td>
</tr>
<tr>
<td><strong>Minister Assisting the Prime Minister for Women</strong></td>
<td>Senator the Hon. Michaelia Cash</td>
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<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td>Hon. Charles Porter MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td>Hon. Alan Tudge MP</td>
</tr>
<tr>
<td><strong>Minister for Infrastructure and Regional Development</strong></td>
<td>Hon. Warren Truss MP</td>
</tr>
<tr>
<td>(Deputy Prime Minister) Assistant Minister for Infrastructure and Regional Development</td>
<td>Hon. Jamie Briggs MP</td>
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<tr>
<td><strong>Minister for Foreign Affairs</strong></td>
<td>Hon. Julie Bishop MP</td>
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<tr>
<td><strong>Minister for Trade and Investment</strong></td>
<td>Hon. Andrew Robb AO MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Minister for Foreign Affairs</strong></td>
<td>Hon. Steven Ciobo MP</td>
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<tr>
<td><strong>Parliamentary Secretary to the Minister for Trade and Investment</strong></td>
<td>Hon. Steven Ciobo MP</td>
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<tr>
<td><strong>Minister for Employment</strong></td>
<td>Senator the Hon. Eric Abetz</td>
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<tr>
<td>(Leader of the Government in the Senate) Assistant Minister for Employment (Deputy Leader of the House)</td>
<td>Hon. Luke Hartsuyker MP</td>
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<tr>
<td><strong>Attorney-General</strong></td>
<td>Senator the Hon. George Brandis QC</td>
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<tr>
<td><strong>Minister for the Arts</strong></td>
<td>Senator the Hon. George Brandis QC</td>
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<tr>
<td>(Vice-President of the Executive Council) (Deputy Leader of the Government in the Senate) Minister for Justice</td>
<td>Hon. Michael Keenan MP</td>
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<tr>
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<tr>
<td><strong>Treasurer</strong></td>
<td>Hon. Joe Hockey MP</td>
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<tr>
<td><strong>Minister for Small Business</strong></td>
<td>Hon. Bruce Billson MP</td>
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<tr>
<td>Assistant Treasurer</td>
<td>Hon. Joshua Frydenberg MP</td>
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<tr>
<td><strong>Parliamentary Secretary to the Treasurer</strong></td>
<td>Hon. Kelly O'Dwyer</td>
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<td><strong>Minister for Agriculture</strong></td>
<td>Hon. Barnaby Joyce MP</td>
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<td>Hon. Christopher Pyne MP</td>
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<td><strong>Minister for Social Services</strong></td>
<td>Hon. Scott Morrison MP</td>
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<td>Senator the Hon. Mitch Fifield</td>
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<td><strong>Minister for Industry and Science</strong></td>
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<td><strong>Parliamentary Secretary to the Minister for Industry and Science</strong></td>
<td>Hon. Ian Macfarlane MP</td>
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<td><strong>Minister for Defence</strong></td>
<td>Hon. Karen Andrews MP</td>
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<td><strong>Minister for Veterans' Affairs</strong></td>
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<tr>
<td>Minister Assisting the Prime Minister for the Centenary of ANZAC</td>
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<td>Hon. Darren Chester MP</td>
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<tr>
<td>Minister for Communications</td>
<td>Hon. Malcolm Turnbull MP</td>
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<td>Parliamentary Secretary to the Minister for Communications</td>
<td>Hon. Paul Fletcher MP</td>
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<tr>
<td>Minister for Immigration and Border Protection</td>
<td>Hon. Peter Dutton MP</td>
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Each box represents a portfolio. **Cabinet Ministers are shown in bold type.** As a general rule, there is one department in each portfolio. However, there is a Department of Human Services in the Social Services portfolio and a Department of Veterans' Affairs in the Defence portfolio. The title of a department does not necessarily reflect the title of a minister in all cases.
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The PRESIDENT (Senator the Hon. Stephen Parry) took the chair at 12:30, read prayers and made an acknowledgement of country.

**DOCUMENTS**

**Tabling**

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

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

**COMMITTEES**

**Meeting**

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

- *Environment and Communications Legislation Committee*—public meeting during the sitting of the Senate on Thursday, 17 September 2015, from 4.30 pm, to take evidence for the committee's inquiry into the provisions of the Environment Protection and Biodiversity Conservation Amendment (Standing) Bill 2015.

- *Legal and Constitutional Affairs References Committee*—private meetings otherwise than in accordance with standing order 33(1) during the sittings of the Senate—today, from 3.35 pm, for the committee's inquiry into the circumstances surrounding a letter sent to the Attorney-General. Wednesday, 16 September 2015, from 9.35 am, for the committee's inquiry into a popular vote on the matter of marriage.

The PRESIDENT (12:32): Does any senator wish to have the question put on any of those motions? There being no-one, we will proceed.

**BUSINESS**

**Consideration of Legislation**

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:32): I move government business notice of motion No. 1:

> That the provisions of paragraphs (5) to (8) of standing order 111 not apply to the following bills, allowing them to be considered during this period of sittings:
>  
> Asian Infrastructure Investment Bank Bill 2015
>  
> Tax and Superannuation Laws Amendment (2015 Measures No. 4) Bill 2015.

Question agreed to.

**COMMITTEES**

**Economics Legislation Committee**

**Report**

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (12:32): On behalf of the chair of the Economics Legislation Committee, Senator Edwards, I present the report of the committee on the provisions of the Asian Infrastructure Investment Bank Bill
2015, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

**BUSINESS**

**Rearrangement**

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:32): by leave—I move:

That intervening business be postponed till after consideration of the government business order of the day relating to the Asian Infrastructure Investment Bank Bill 2015.

Question agreed to.

**BILLS**

**Asian Infrastructure Investment Bank Bill 2015**

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator CAROL BROWN (Tasmania) (12:32): I am pleased to inform the Senate that Labor supports the Asian Infrastructure Investment Bank Bill 2015, and we will facilitate its passage through the Senate today. We support this bill because this bill facilitates Australia joining the Asian Infrastructure Investment Bank. Labor has said consistently that Australia should join this bank. We were saying this consistently way before the government joining the bank. While the cabinet was in meltdown—while the foreign minister, Ms Bishop, was arguing with the Treasurer, Mr Hockey, and while the former Prime Minister, Mr Abbott, was dithering about whether to join this bank—the opposition was saying very clearly that it was an easy decision: Australia must join. Australia should join this bank because it is the right thing to do. Australia should join this bank because China has shown leadership in setting up this bank and the rest of the world should join.

But the government dithered; the government could not make its mind up. The foreign minister said we should not join for reasons known only to herself. The Treasurer, to give him credit, knew that we should join, but he could not carry the day in cabinet. On the other hand the Leader of the Opposition, Mr Shorten; the Deputy Leader of the Opposition and our shadow minister for foreign affairs, Ms Plibersek; and our shadow Treasurer, Mr Bowen, were of one mind immediately—this was an easy decision. This is a great opportunity for Australia. It is a good opportunity for the world to come together to deal with the infrastructure gap in Asia and to work together on the development of Asia. But, no, while the Labor Party was lending bipartisan support to this from last October the government could not make up its mind.

As I have said, Labor is supporting this bill and is facilitating its speedy passage through the Senate today. I note that we have already agreed to exempt this bill from the cut-off order to enable it to be considered in this sitting week. Further, we have facilitated debate immediately following the presentation of the report of the Senate Economics Legislation Committee inquiry into this bill. This report was completed following a public hearing with officials from Treasury and the Department of Foreign Affairs and Trade just last night.
Senators will be forgiven if they have missed this hearing, but I assure everyone that it did occur. Senator Wong, the Leader of the Opposition in the Senate, was present as was Senator Edwards and Senator Dastyari.

The Senate Economics Legislation Committee inquiry received two submissions, one from Treasury and the Department of Foreign Affairs and Trade, and one from Stephen Howes and Robin Davies from the Development Policy Centre at the Australian National University. The public hearing provided an opportunity for senators to seek clarification on a number of matters from the government. These issues included matters relating to our membership; the governance of the bank and concerns raised by Australia; the Australian shareholding; accountability; the immunities and privileges that extend, as set out in section 8 of this bill; operational policies; and the ratification process. Questions remain about a number of these matters, particularly around some of the rhetoric that has been used in public debate on the bank by government ministers. Other issues requiring further amplification relate to the capital provided to the bank, how the board of directors will operate, Australia's constituency and whether any funds can be included as official development assistance in the future—these are all matters to watch.

In light of Labor's cooperative approach to this bill, I do seek an undertaking from the minister that demonstrates a similarly cooperative approach from the government. At the hearing last night, a number of matters were taken on notice. Whilst it was disappointing that questions could not be answered, including many simple questions seeking clarification of comments by, for example, the Minister for Trade and Investment that were already on the public record we understand that sometimes it is not always possible for the officials at the table to answer questions where they require an explanation from the minister concerned. The opposition seeks an undertaking from the minister, which I hope he will be able to give in his concluding remarks, that answers to questions taken on notice at last night's hearing will be provided in a fulsome and timely way.

The opposition could have opposed the exemption of this bill from the cut-off and sought to delay consideration of this bill until the Senate Economics Legislation Committee report had been fully considered and answers to questions on notice received, but that is not the approach we are taking. We support this bill and Australia's involvement in the Asian Infrastructure Investment Bank and want us to be able to take up our seat at the table as soon as possible.

I look forward to the minister being able to give a commitment to the Senate, today, that this additional material will be provided in accordance with the deadline set by the committee. Then all senators and the Australian people will be able to fully understand the nature of Australia's participation in the Asian Infrastructure Investment Bank and the attitude of the government to some of the issues that have been raised by its own ministers. Labor has proceeded in good faith in its approach to this bill and expects the same courtesy from the government.

It was interesting to see, in the second reading speech in the other place, the Treasurer boast: 'On 29 June this year I gave effect to the government's commitment to join the AIIB by being the first person in the world to sign the bank's Articles of Agreement in the Great Hall of the People, in Beijing. My signature was followed by those representatives of 49 other countries.'
He was boasting that Australia was first. Mr Hockey was the first to sign because Australia comes first alphabetically. That is why his signature was first. It is nothing for him to boast about. We could have been one of the first countries to join the bank when China invited the rest of the world to join. We could have been a leader. Instead, under this government, we are followers. We had to wait for other countries to join—then we decided to join. We joined after the United Kingdom, New Zealand, South Korea, Germany, France, Italy, India and Singapore. All of these countries showed leadership.

Australia could have been in at the ground floor. It could have been in, working with these other countries, setting the bank up. But, no, we had to wait and see what other countries, like the United Kingdom, did. I thought we had stopped letting the United Kingdom make Australian foreign-policy decisions about 70 years ago. We know this government is dysfunctional but its dysfunction impacts on policy. Here, we have cabinet dysfunction impacting on policy and Australia missing a golden opportunity to come in at the ground floor and join this very important bank.

The Australian Infrastructure Investment Bank will fulfil a very important role. There is a significant gap in infrastructure around the Asian region. Around $8 trillion over the next decade is the widely agreed figure, which is a figure the opposition agrees with. The bank represents an opportunity for countries of the world to come together and pool funds and to provide authorised capital so that the bank can facilitate infrastructure investment. We will have a very substantial shareholding of about US$3.7 billion and I note that the second-biggest shareholding in the bank is India, about US$8.3 billion and a share of 7½ per cent. Our shareholding is substantial, as is appropriate. This is not a matter that will be reflected in budget figures, but it is an appropriate shareholding for us to have a very significant economy in the Asia-Pacific region.

We certainly support Australia's involvement and will facilitate, in every sense possible, Australia being as involved as possible, because we should be. But we should have shown much greater leadership than we did. We should have shown the leadership of a nation that understands the opportunities of Asia. There has been a lot said about China, in recent weeks, in this parliament and in public debate. There has been a lot of lecturing going on from those opposite about China and how we need to work better with China.

We are not going to take any lectures from a government that for months got this strategic decision on China so wrong. It is a government that could not make a simple decision to join the Asian Infrastructure Investment Bank. They have the gall to come in here, the Senate, and the other place and lecture the Labor Party about how to do business with China when you have the Leader of the Opposition, the Deputy Leader of the Opposition and the shadow Treasurer, on behalf of the Australian Labor Party, consistently saying—since last October—this is a no-brainer; this is an easy decision. If Labor were in government we would have signed up straightaway, because it is an opportunity to take. Those opposite need to understand the strategic error they have made—in waiting for other countries to show leadership and sending a signal to China that we do not care about their development.

The position of the opposition is that we should be joining the Asian Infrastructure Investment Bank. That is the position we adopted last October and the one to which the government were dragged kicking and screaming. The government showed a lack of interest
and foresight in not being able to make the decision to join the Asian Infrastructure Investment Bank. That is the sort of economic leadership we are seeing from this government.

China did not need to create this multilateral institution. China could have said, 'We are developing a bank and we are going to invest in ourselves.' But China made the decision to work in partnership with the rest of the world and invite other nations—not just Asian nations but nations from the rest of the world, such as the United Kingdom, France and others—into the Asian Infrastructure Investment Bank. That is a good thing. Countries from the rest of the world have noted and supported this development. Singapore, Indonesia, Thailand, France, Germany, New Zealand and the United Kingdom are joining this particular bank, as they should. We welcome their participation. But it would have been a whole lot better if this government had shown more leadership and realised the opportunities available, from joining the bank, rather than dithering for months and missing the opportunity to invest in infrastructure in the Asia region.

We all know about the opportunities of living on the edge of the world's fastest-growing region. We know about the burgeoning middle-class in Asia. We know about the increased demand for protein and for Australia's agricultural goods, in particular. We know about the opportunities in services, financial services and others, being exported to Asia. We know we have the skills and the capacity, in Australia, to export so many more services. Australia's financial services are highly respected and highly developed. The fourth-largest pool of funds under management in the world is in Australia, but we do not manage the funds of Asia.

Around five per cent of funds under management in Australia come from overseas. We could be doing so much better. Australia could be the financial services hub, but it would take complete engagement with the Asian economy to be so. It is not possible to reach that sort of engagement when the cabinet cannot even decide to join an important multilateral institution such as the Asian Infrastructure Investment Bank. This government is so dysfunctional that it spent months arguing about whether to take up a golden opportunity to participate in a new multilateral institution.

This is not to say that other institutions, such as the Asian Development Bank or the World Bank, are not worthy of continued engagement. They have different tasks at hand, as does the International Monetary Fund. They have different tasks to conduct. But the Asian Infrastructure Investment Bank fills a gap—it fills a hole. It is right and proper that the fastest-growing region in the world has its own institution devoted to infrastructure investment. It is right and proper that we, such an important economy in the Asia-Pacific region, be involved and a member.

So of course the Labor Party will give wholehearted support to this bill, as we did in the other place, but we take the opportunity to point out that these are opportunities presented to Australia last year which the government was dragged, kicking and screaming, to embrace. We are not going to have the Treasurer boasting that he was the first person in the world to sign the articles of agreement, although Labor does recognise that he was not allowed to pursue and progress signing up to the Asian Infrastructure Investment Bank due to the conflicting attitudes of the Minister for Foreign Affairs and the former Prime Minister. The Treasurer was not able to deliver what he knew was in our best interest.

We have heard a lot of words about how we need to have better conditions and better governance. That is just an excuse—and a dishonest one, at that—for months of inaction. The
government have not progressed changes to the governance. To suggest otherwise is just wrong. What they have done is buy time, and they have been shown to be lacking in leadership. They have allowed other countries with much less to do with Asia than us to join before us. The United Kingdom, Germany, France and Italy all signed up before Australia. They all indicated their support before Australia. When these institutions are being developed, the early days are very important. People who are members early are able to influence the development of the institution. Australia lost that opportunity. We lost that opportunity on the watch of the Treasurer. It was not his fault but the fault of his Prime Minister, the foreign affairs minister and the rest of the cabinet, who showed a singular lack of leadership on this matter. So let us not have any lectures from members opposite in their remarks which will follow about Asia and China and the importance of the Chinese economic relationship, because they have completely mismanaged this matter. They missed the opportunity for us to join this bank as an early adopter. The government completely got it wrong.

**Senator WHISH-WILSON** (Tasmania) (12:47): Perhaps Senator Brown is aware of the history of this bank and why it took so long. The US government for a number of years lobbied very hard for a lot of people in the region, including us, not to sign onto this bank. Senator Brown is right when she says the UK was the first to break ranks and do so, and after that we saw a steady trickle of people signing on, including us.

I want to, firstly, raise the issue that infrastructure in this country is also very important. We believe that there is a significant pipeline of projects in Australia that should be financed, especially at a time of record low interest rates. One of the ex-leaders of the opposition, Professor Hewson, has been very outspoken, as has Saul Eslake, a fellow Tasmanian, on the one-off historic opportunity to finance infrastructure in Australia. I just want to get on the record that, when the consultation process around the national interest analysis was conducted on the Asian Infrastructure Investment Bank, you will see in attachment 1, the attachment on consultation:

Between 6 and 13 July 2015, Treasury sought views from state and territory governments on the AIIB Articles—the AIIB being the Asian Infrastructure Investment Bank. It outlines in two pages that the various governments of New South Wales, Tasmania, Victoria and Western Australia welcomed potential investment from this bank in major infrastructure projects—for example, across New South Wales. So there was an expectation that perhaps this bank would be financing infrastructure projects in Australia, but if you read the report of the Joint Standing Committee on Treaties, which goes into a bit of detail on the national interest analysis, it says: 'Although no projects have been identified in Australia, the NIA advises that the bank is likely to focus its efforts in developing countries with significant infrastructure gaps. It is, therefore, unlikely that Australia will be a recipient of bank funding for a major infrastructure project.'

On its own, the fact that Australia needs infrastructure and this bank is unlikely to finance any in Australia is not a reason to knock it back, but I do make the point that there are a backlog of projects in this country. Saul Eslake said to a recent select committee inquiry, which I am part of, that the Australian government could spend up to $50 billion on infrastructure projects in this country under current arrangements without impacting its AAA credit rating. So let us be clear: there is no doubt that there is a need for infrastructure spending in our region and, on one level, we have a very strong feeling that Australia should
be part of that, but we do need infrastructure spending in this country and it is something that the government said it would prioritise. In fact, I think our recently departed Prime Minister, Mr Abbott, said he would be an 'infrastructure Prime Minister'. As I have discovered through the select committee, that has been another broken promise. Whether because of fiscal constraints or other issues, it has not happened. So, while we are talking about infrastructure, let us not forget that Australia needs more infrastructure spending and it has a unique opportunity at this point in time.

Moving to the Asian Infrastructure Investment Bank itself, the concept is a good one—the idea of Australia playing a role and having a leadership role and influence over a large infrastructure investment bank in the region that has very significant Chinese buy-in is a good one. I note that one of my economic heroes, Professor Joseph Stiglitz, a Nobel Prize winner, has been very outspoken in supporting this bank and the concept of this bank in the region. He has been very critical of the US government for not supporting this bank, saying, 'You're stuck in the old ways through the World Bank. This is what the Asian region needs and the US should be playing a leadership role in this.' It is very useful to point out that Professor Stiglitz has been a supporter of this bank.

As was reflected in Labor's contribution, the Greens have some very specific concerns around what has not been addressed in the scanty information that we have seen to date. I might start by talking a little bit about environmental and social policy. I note that Senator Milne, prior to leaving the Senate, got it on record—and Adam Bandt, the Greens member for Melbourne, has expressed similar concerns—that we need to see what environmental and social policies the bank will pursue or, at least, what conditions or requirements are going to be put in place for an investment bank. We have seen investment in some socially and environmentally destructive infrastructure in the Asian region such as building dams in Sarawak displacing rural communities and ruining the environment. These are the kinds of things that we want to see avoided. So it makes sense to have some very clear-cut guidelines in place.

I have a number of questions for the government. I wish I had been able to get to the JSCOT meeting yesterday so I could have asked the Department of Defence, the Department of Foreign Affairs and Trade and others the questions directly—I was in here debating the amendments to a bill for small business. I will ask some questions during the committee stage. In particular, what is the government's intention in relation to the development of policies in regard to environmental and social impacts? Does the government intend to try to influence the development of the policy of the bank? Is it even clear if the government can influence that?

Going back to the national interest analysis, at page 29 and 39 it says that 'the NIA advises that Australia is negotiating to lead a constituency of regional members which would, as a group, be able to secure a seat on the board of directors. If successful, this position should allow Australia to enforce decisions made by the bank.' I would have thought that, before we signed up to this, we would have had a guarantee that we would be able to influence decisions of the bank and that we had secured a seat on the board. If you go to page 4 of the national interest statement, it makes this look a little more certain than the analysis that was given to us by JSCOT. Nevertheless, there is uncertainty there. Australia, as yet, has not secured a seat on
the board. I would have thought that that would be a pre-requisite for us before putting billions of dollars of Australian taxpayers’ money into an infrastructure bank in the region.

I also note that the UN sustainable development goals are due to be agreed to at a meeting in New York on 22 September 2015. Does the government intend to apply the principles of the UN sustainable development goals in influencing the policies of the bank? That is a perfectly reasonable question to ask given all the work group that has gone into developing those sustainable goals. That is also very unclear.

In terms of the clause allowing any of the members of the bank or any of the shareholders to withdraw by giving six months notice, has the government established any triggers for potential withdrawal from the bank? In other words, will there be mandatory triggers that would lead to withdrawal of our support for the bank such as the breach of environmental or social conditions? And would the government withdraw from the bank if it was found to have breached one of its own policy objectives? It is hard to answer that because we do not have those policy objectives yet. This is the problem: the concept sounds great but there is no detail on the ground. This is something the Greens believe it is very important for us to get more information on.

In relation to the immunity clauses set out for the infrastructure bank, what oversight will employees of the bank be subject to? What mechanisms are available to prosecute employees of the bank for any potential misconduct? Do the immunity provisions in relation to the conduct of employees relate to bribery? What standards will be upheld at the bank? Once again, there are some precedents that we could use from the World Bank and other organisations but it is not spelled out clearly.

You need only look online at the corruption index for countries in our region to know that there is significant corruption in terms of business dealings in these areas. If we are looking at financing private projects, particularly if there is co-financing of public private projects in this area, then corruption is going to be an issue on the table. Unfortunately, that is the lie of the land. So these things should be spelled out in a lot more detail.

I think it is unusual that the enabling legislation for Australia participating in and providing promissory notes for this infrastructure bank actually lays out that 'each country has to guarantee immunity with respect to acts performed by them in their official capacity, except where the bank waives the immunity, and shall enjoy the inviolability of all their official papers, documents and records'. This has been noted by the Scrutiny of Bills Committee report. The committee, therefore, remains concerned about the proposed approach and the limited information readily available as to the detail of the intended immunities and privileges. That is another significant area of uncertainty when we are being asked to support enabling legislation that puts billions of dollars of Australian taxpayers' money into an Asian infrastructure bank without us having even seen how the employees of this bank are going to be scrutinised, audited and, potentially, prosecuted for any breach of law. In fact, what is law when it comes to a bank that is operating across various jurisdictions? These are more questions that need to be addressed.

And what about the strategy of the bank? There is no doubt that there must be a huge pipeline of potential infrastructure projects in Asia. Are we talking about brownfields projects or are we talking about greenfields projects, which, by their nature, are of much higher risk? That is also unclear. Is there an expected or benchmarked rate of return on investment that the
bank is seeking? How do we actually define and measure the social return on projects in the region in terms of what they bring to local communities? What projects will be selected on the basis of their benefits to the communities they are in or the basis of return to investors? Have any particular projects been identified? Is there even a pipeline for projects? I would be very interested to see the kinds of projects that this bank would be investing in—primarily because I am interested in getting more investment financing in Australia for infrastructure because we do have a backlog of projects here and I would like to see what is on offer in these regions. Of course, that ties in very closely with potential conditions around social and environmental factors. And then there is governance. Who is in the constituency of countries which, according to the national interest analysis, Australia is expected to lead? As the fifth large investor, shouldn't we assure ourselves a place on the board before signing?

Coming back to what I said earlier, why is it that we are planning to ratify the articles of the bank and provide financing as the fifth biggest shareholder when, as yet, we have not actually locked in a position on the board? I like the idea of us being able to influence infrastructure spending in the region in areas like renewable energy. I think there is enormous opportunity for Australian know-how and innovation in technology development, as there is in agricultural technology, to be employed across the region. It would be beneficial to Australia businesses. Of course, it would be beneficial to the environment, which is critically important. It is something that we can actually say we have some expertise on. If we have a leadership role and the ability to influence these kinds of things, that would be a positive for Australia. But it is not locked in. There is no certainty around that.

My last set of questions relate to aid. What impact will Australia's participation in the bank have on Australia's aid budget and activities? How close are aid activities going to be to the commercial activities of an infrastructure bank? I do not know the answer to the question of whether we even provide aid for infrastructure projects. It comes back to the earlier question: are we dealing with greenfields projects or brownfields projects? Are we dealing with assets that have already been set up and somehow been securitised or monetised and the bank is providing the financing for maintenance? What are we talking about here? I would like to see a lot more information around that.

How will Australia's participation in the bank align with our aid objectives? This government has been brutal in the last two years with the aid budget. Aid has been an ATM—an automatic teller machine—for other things in this country. I would hate to see this capitalisation from the Australian taxpayer of an Asia infrastructure bank being used as a smokescreen for reducing our aid budget further or not taking our aid responsibilities further. I am worried about this because it is something the government has introduced. It has looked at aid for private businesses—aid for business swaps. The remaining deputy leader of this country, Ms Bishop, has raised this issue in foreign affairs—that is, swapping aid for private business. Of course, that has a whole range of potential ethical and moral considerations to be taken into account as well. I am not sure if these commercial activities will displace current aid. That is something the Greens would like to know a lot more about.

Here is a scenario: we have an option to withdraw from this bank, giving six months notice. There may be some financial implications to that, but every investor in this bank has an option to withdraw. Under what conditions would Australia potentially withdraw? Should we set an automatic set of triggers for withdrawal if those conditions are reached? This seems
like a reasonable approach to risk management to me. Those conditions may relate to governance—the loss of influence on the board. Those conditions may relate to something entirely different, like corruption or illegality in relation to those immunity provisions that we talked about earlier. They may relate to a breach of a very clear set of environmental or social guidelines on ethical investing. I think ethical investing is being taken seriously around the world now. Even a lot of private funds invest along ethical guidelines. Should we consider building in, through legislation, a mandatory code for potential triggers to withdraw from the bank? If we sign up to this, if we give everyone the benefit of the doubt and give the concept the benefit of the doubt in our region without the information that we need to make a good decision, shouldn't we at least put a fail-safe device in place whereby, if it does not meet our environmental, social and ethical standards and other overlays, Australia will withdraw from this project? There may be a range of other things we could include in that, but that is something the Greens would like to consider in the committee of the whole.

To wrap up, the strategy is a good one. There is a whole broader geopolitical overlay to this bank that raises the idea that the yuan, the Chinese currency, could end up becoming a replacement for the US currency as an international reserve currency. This is certainly going to see increased Chinese hegemony across the region. While we are involved in that, it is not necessarily a bad thing. It could actually be a good thing. We have seen the US oppose countries signing with this bank for its own political reasons. We have seen some very good, well-respected Nobel laureates come out and say, 'Actually, this is the kind of thing the US government should be promoting.' The US should be behind these projects because they will have the ability to raise living standards and increase environmental advocacy—a whole range of positive things—across the Asian region. There is a huge amount of infrastructure there that could be financed.

While that concept is good and the Greens support it, I would like to say that without the necessary information that we need, including information addressing the direct concerns raised by the Scrutiny of Bills Committee, we are taking this as a matter of blind faith—an article of faith. The Greens would like the Senate to consider what amendments we may be able to make to at least put triggers in place for withdrawal should conditions not be met. I think that is the only way we can actually back-test this without having that information upfront to provide some protections in line with our ethical and environmental considerations, and other factors. So, yes, I am looking forward to getting more information, as is Labor, very shortly.

I move the second reading amendment standing in my name:

At the end of the motion add, "but the Senate:

(a) urges the Government to use its diplomatic influence to secure standards for labour rights, environmental preservation and the protection of local communities that face displacement from large projects; and

(b) calls on the Government to withdraw if policies addressing environmental and social impacts required by Article 13 of the 'Asian Infrastructure Investment Bank Articles of Agreements' are breached."

Senator EDWARDS (South Australia) (13:06): I too rise to speak this afternoon on the Asian Infrastructure Investment Bank Bill 2015 and the role it will play in the future of our international relations in the region. I am sure Senator Whish-Wilson will be able to make
another contribution and talk to those amendments. Having been involved in the hearing last night—albeit somewhat distracted, as I was—I know that quite a lot of information did come out on the involvement of other countries. I particularly look forward to listening to his contribution with regard to his two proposed amendments. Other than that, given the tone and nature of the two contributions—by Senator Brown and Senator Whish-Wilson—it would seem that this is something that we all in this chamber feel that Australia should embrace, with some tweaking that may follow, perhaps, and something that we should look forward to.

The Asian Infrastructure Investment Bank Bill 2015 provides authority and an appropriation for the payment of Australia's capital contribution to this body and entity to be known as the Asian Infrastructure Investment Bank, or the AIIB. The bank is an international finance institution proposed by the Chinese government to assist in funding major infrastructure projects throughout Asia. This bank will boost economic growth, it will create jobs and it will promote trade in our region by financing much-needed infrastructure investment. As we are all aware, Asia is on our doorstep. It is a burgeoning region in terms of its different economies, whether Indonesia and Central Asia or indeed the China-Japan-Korea region. The bank will provide the economic opportunities for Australian firms and help our commodity exports in accessing markets through the development of infrastructure—for example, our coal exports. It may also be for the development of financial infrastructure or indeed the services that Australia can provide and the critical up-front investment that often is hard to raise locally. Its intended capital base of US$100 billion will help address Asia-specific acute infrastructure needs, and it is estimated at $8 trillion this decade. That is a massive amount of capital to find. As you know, when economies are in growth, they are voracious consumers of cash.

Following the completion of all necessary ratification processes, Australia will lodge its instrument of ratification with the AIIB's depository. That will be in China. Australia's membership of the bank will become effective on the latter of the date of lodgement and the day on which the bank is established. The commencement provisions set out in the bill will address the situation of the bill having received royal assent and the bank not yet having been established. On becoming a member of the bank, Australia will be obligated to pay for Australia's shareholding. Payments that Australia must make for subscriptions of shares of the capital stock of the bank is authorised by section 5 and section 7; that same section authorises the consolidated revenue fund to be appropriated for the purposes of purchasing Australia's share subscription. So, Australia's total shareholding will be US$3.7 billion, or approximately A$4.6 billion, based on the exchange rate on 22 May 2015. That will comprise US$738.3 million, or approximately A$932 million, in prepaid capital. The remaining US$2.9 billion, or approximately A$3.7 billion, will be callable capital which is a contingent liability against the Commonwealth. In other words, when called upon it is payable.

Section 6 of the act will authorise the Treasurer, as the responsible minister, to make promissory notes and issue them to the bank in accordance with the standard terms outlined in subsection (2)—namely, that the promissory notes will be non-negotiable, non-interest-bearing and payable to the bank at par value upon demand. Section 5 also enables these promissory notes to be drawn down. Promissory notes are financial instruments that are frequently used as part of a process to discharge the government's obligation to international financial institutions, such as multilateral development banks. They provide both parties with
more control of encashments but can still be considered by the MDBs as an asset. Section 8 enables regulations to be made to extend certain privileges that Australia is obligated to provide to the bank and its personnel under chapter IX, articles 50 and 51. The articles provide slightly different obligations to those of other international organisations, such as exemptions from taxation on expenses relating to immigration of experts and consultants performing missions or services to the bank.

How will Australia benefit from being involved in this bank? The key benefit to Australia of becoming a member of the bank is improved infrastructure throughout the Asian region, which will provide great opportunity for Australian trade and businesses. Australia's prosperity and economic growth is tied closely with the region. Not only does greater infrastructure investment mean greater demand for Australian commodities such as metals and coal, as I mentioned earlier; greater investment in ports and rail in emerging markets will create new opportunities for Australian companies. The bank also provides an opportunity to deepen our relationship with our largest trading partner and the region's largest economy along with up to 55 other member countries. Those countries include Korea, the UK, Germany and France, to name but a few.

The bank will have an open procurement model, meaning companies from any country, not just from member countries, can bid for contracts. Australia, as a member of this bank, will be able to benefit from up-to-date knowledge of the opportunities available to Australian companies. Australian companies have won contracts from other multilateral banks, such as the Asian Development Bank, so they will be well positioned to make strong bids for contracts from this bank. The infrastructure bank is not precluded by the articles of agreement from making investments in Australia. However, we expect that this bank will initially focus on infrastructure in developing countries in the Asian region, where it will be able to play a more important role in encouraging private sector funding and financing of infrastructure.

The bank will have an initial authorised capital of US$100 billion, with around US$20 billion paid in—that is, a promise of $80 billion, which is callable at any time, and US$20 billion in the bank when it is founded. Founding members will make contributions in proportion to their economic size. In addition to Australia's approximately $932 million paid-in contribution to the bank, Australia will be responsible for about US$3.7 billion in callable capital, which will only be drawn if the bank cannot meet its liabilities from within existing resources. There is a fair bit of latitude in that business model because this bank will be searching the Asian region for projects, and, obviously, other third-party bankers will be interested in those projects as well.

One of the other motives for investing in the AIIB is the benefit to Australia's economy from the improved infrastructure in the Asian region. Joining the bank will promote stronger linkages between Australia and our neighbours, driving economic growth and generating benefits for Australian trade and businesses. The bank will work closely with the private sector and provide opportunities for business to bid for contracts with the bank. The bank will drive economic growth in our region, which will mean that there will be more demand from our region. This will create opportunities for Australia and for Australian businesses. Australia's decision to join this bank—and there appears to be fairly universal agreement to do that—will enable it to have a seat at the table as a director. It will have a say in key
investment decisions. In addition, no one country will control the bank, with major decisions requiring a supermajority.

I would like to talk a little about the open procurement process which Australian companies will be able to participate in. We will continue to work with China and other members to establish an institution that is effective, accountable and transparent and complements the work of other institutions. Senator Whish-Wilson talked about those kinds of governance issues which will be paramount for the board when working in those regions with different cultures and different expectations of how companies run. That will be something the board of the bank will have to keep a close eye on to ensure that all the projects that are undertaken meet the necessary governance criteria that we expect in our country and that we expect in the bank as well.

I would like to talk about the endorsements we have received from Australian industry. Several industry groups and companies have publicly expressed their views on Australia's membership of the bank, including the Australian Industry Group, the Business Council of Australia, Industry Super Australia and Fortescue Metals, to name just a few. In their public comments, dated 24 June, these organisations welcomed the government's decision to join the bank, and I feel sure that they are also welcoming the opposition and crossbench support that has been indicated here this afternoon. The chair of Industry Super Australia, Peter Collins, said:

This move will be a huge fillip for Australian expertise in funds management, engineering, construction, architecture and legal services which could be widely applied to projects financed by the AIIB.

... ... ...

The activities of the AIIB will not only provide new opportunities to deploy capital but also export the funds' know how in connecting pension savings to bankable projects.

... ... ...

The resources of the Asian Infrastructure Investment Bank will increase scope for pension and sovereign wealth funds to invest in long term, productive assets in the region.

Australia, like Asia, is dealing with the challenges of a shrinking workforce and an ageing population. To meet this challenge it is vital we better match the long term investment horizon of retirement savings to strengthen our economic capital base, while simultaneously producing superior risk-adjusted performance returns on retirement savings.

Peter Collins concluded with:

It's a win-win.

Business Council of Australia chief executive, Jennifer Westacott, said:

The Business Council of Australia (BCA) welcomes the government's decision to join the Asian Infrastructure Investment Bank (AIIB) as a founding member.

As a founding member, Australia can play a key role in setting the direction of this body and the decisions it will make to finance projects that address Asia's infrastructure gaps.

Australian companies will benefit from opportunities to participate in developing and building new AIIB financed infrastructure, as well as having access to improved infrastructure which facilitates trade in the region.

Infrastructure investment in Asia is essential to sustaining economic growth, and the AIIB's promise of an additional $100 billion will be important to meeting these infrastructure needs.
That is what the Business Council of Australia says. We can see a theme emerging here. This involvement with this bank, this money and this investment will create an entity which Australian businesses, companies and joint ventures can get involved with. It is just another opportunity to export our skills. The Australian Industry Group chief executive, Innes Willox said:

Ai Group welcomes Australia's participation in the Asian Infrastructure Investment Bank. We have argued for some time that the AIIB's objective of financing infrastructure development in the Asia-Pacific region will foster greater trade and economic development in the region of Australia's closest and most important economic partners.

Given our national ambitions to be more thoroughly engaged in the Asian region, it makes clear sense for Australia to become a founding member of the AIIB and to work to ensure its success.

So, again, a strong and ringing endorsement of our participation as a founding member of what this bank has set out to achieve. The Deputy Leader of the Opposition, the Hon. Tanya Plibersek MP, released a statement on 24 June on behalf of the opposition, welcoming the government's decision to join this bank.

As I mentioned before, there is an estimated infrastructure financing gap of US$8 trillion in the Asian region this decade, and this bank will be part of the solution to close the gap. Joining this bank presents Australia with opportunities to work with our neighbours and our largest trading partner to drive economic growth and jobs. Working closely with the private sector, the bank paves the way for Australian businesses to take advantage of the growth in infrastructure in our region.

In the seconds that I have remaining, I have a couple of comments on last night's hearing. The Treasury and the Department of Foreign Affairs and Trade were able to advise at the hearing that Australia had recommended a number of governance strengthening mechanisms in August and was provided with the information, and it is part of the report. (Time expired)

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (13:26): I too rise to speak on the Asian Infrastructure Investment Bank Bill 2015. It is with great pleasure that I am able to make a contribution to the debate on this particular bill. It is also even more delightful to know that we have reasonably universal support for the benefits that such a bank is going to bring to our country.

The Asian Infrastructure Investment Bank Bill 2015 basically sets out the authority and the appropriation for the payment of Australia's capital contribution to the bank. This will facilitate Australia's membership of the bank. Following completion of all the necessary ratification processes and the like, Australia will lodge its instrument of ratification with the bank's depository in China, and Australia's membership of the bank will become effective on either the date of the lodgement or the day on which the bank is actually established. On becoming a member of the bank, Australia will be obligated to pay for Australia's shareholding. I understand Australia's total shareholding will be US$3.7 billion, which probably adds up to about A$4.5 billion on current exchange rates. So it is obviously a very substantial contribution on Australia's behalf. We have to realise that that contribution is going to have amazing and ongoing impacts for Australia.

We only have to look at what is happening in the Asian region as we speak. The Asian region is projected to account for half of the global population growth that we are going to see over the next 35 years. It is already the world's most populous continent, but it is projected...
that another billion people will be resident in the Asian continent by 2050. It is not just the increase in the number of people in Asia that is of significance to Australia as one of the residents of this particular region; the changing affluence in Asia means that we have a shift towards greater expenditure and a more western diet—particularly with increases in protein, which they are looking to gain through things like meat and dairy rather than plants. So the opportunity for Australia in the Asian area over the next 35 years is massive, and our involvement in the Asian bank obviously gives us a greater level of access to take advantage of these opportunities that are presented on our doorstep.

The key benefit of Australia becoming a member of the Asian Infrastructure Investment Bank is improved infrastructure throughout the Asian region, which will provide great opportunities for all of our trade and businesses in Australia. Australia’s prosperity and economic growth are closely tied to the region. Not only does greater infrastructure investment mean greater demand for Australia’s commodities, such as metals, but it also means greater investment in ports and rail in emerging markets will create new opportunities that currently do not exist for Australian companies. The AIIB also provides an opportunity to deepen our relationship with our latest trading partners in the region and the largest economies, along with the other 55 member countries of the bank. It is interesting that this particular opportunity has come to our doorstep so soon after the trade agreements that we have entered into since coming into government with our near and very important economic neighbours of China, Korea and Japan.

Obviously there has been a lot of talk in recent times about the ChAFTA, but the overwhelming majority of Australians believe that the opportunities that ChAFTA provides for Australia are going to be of great benefit to this country. Let us remember that China is already Australia’s largest trading partner. It buys almost one-third of all Australian exports, so one-third of Australian exports go into one country, which is a massive amount—it was valued at nearly $98 billion in 2014. It is also good to remember that it is our top overseas market for agriculture, research and services exports, and Chinese investment in Australia has been growing strongly in recent years. It is believed to have reached in excess of $65 billion in 2014. ChAFTA builds on Australia’s largest successful commercial relationship with China, and by securing markets and providing Australians with even better access to China across a range of our key business interests, including goods and services and investment. The trade and investment opportunities with China will be a central key to the prosperity of Australia because, as I have probably said ad nauseam in this place, Australia is an exporting nation and we are not going to get rich selling to ourselves, so the importance of the kinds of agreements that we have put in place since coming into government in 2013 are absolutely essential because the prosperity of Australia is going to be driven by the prosperity of our export market opportunities.

It is not just China; we have other agreements, particularly the two that I have already referred to—the Japan and Korea agreements. Once again, the economic partnership that we have established with Japan—Japan has been a very sophisticated market for Australian exports for a very long time, and in some areas it is our biggest market. We have had a long-standing and very complementary relationship and economic partnership with Japan. It is also our second largest trading partner and the fourth largest source of foreign investment into Australia, so the economic partnership agreement that we entered into earlier this year is of
major importance to Australia, particularly some of our export markets, which come from—and I know that certainly for my home in the Riverland in South Australia the Japanese market is a massive market for our citrus and it has been not just a very large market but also a very profitable market for Australian citrus growers over a very long time. It is also a big market for our beef, as you would know, Mr Acting Deputy President Back; wine, which is another huge export commodity from South Australia; dairy; and seafood. This particular market, the Chinese market and, indeed, the Korean market are very important for our farmers and our agricultural producers across Australia. Given that Australia has a reputation as being one of the cleanest, greenest and finest producers of good quality, safe, clean food these particular agreements are very important. The fact that we have these agreements is very important, and overlaying that is this very important piece of legislation that will facilitate Australia's membership and involvement in the Asian Infrastructure Investment Bank. I think it is very timely that they should coincide.

It is also really important to understand the opportunities that will be provided for Australian companies to bid for the projects that will be invested in by this particular bank. One of the things that is very exciting is the opportunity for an open procurement model, meaning that companies from any country, not just member countries, will have the opportunity to participate in bidding for contracts. But, as a member of the AIIB, Australia will benefit from having a working, up-to-date knowledge of what is going on, the projects that are afoot and the opportunities that we are able to make available to Australian companies. Australian companies have won contracts from other multilateral banks, such as the Asian Development Bank, so I think Australia is well positioned to take advantage of the opportunities that are provided by this new Asian Infrastructure Investment Bank.

While the AIIB is not precluded by its articles of agreement from investing in Australian projects, it is my understanding that initially the focus of the bank's investment in infrastructure will be in developing countries, particularly in the Asian region, where it will be able to play an important role in encouraging private sector funding and financing of infrastructure so that the opportunities that are able to be capitalised on in these particular areas can be realised.

Australia's contribution to the bank, as I said, will initially be that Australia will put in approximately $932 million paid in contribution to the bank, but we will also be responsible for about $3.7 billion in capital, which will only be drawn on if the bank cannot meet its liabilities within existing resources. I suppose the question is: why is Australia making a decision to commit $932 million—cold, hard dollars—to the AIIB instead of funding other priorities, because there has been much debate in this place about the limited resources that are available to the Australian government for investment or for expenditure on any government project, no matter what it might be. The decision by the government to make the Asian Infrastructure Investment Bank a priority for the allocation of resources is something that has obviously been very, very carefully and strategically considered.

We believe that Australia's economy will benefit from improved infrastructure in the Asian region. Joining the AIIB with them will promote stronger linkages between Australia and our neighbours. It will drive economic growth and it will generate benefits for Australians in the area of trade and business. And, as I said, being an exporting nation, if we continue to concentrate on the activities that happen only within our shores then our opportunities for the
growth and expansion of our economy will be extremely limited. So, I think the forward thinking of the current government in seeing the opportunities that this particular infrastructure bank is able to provide for Australia—Australia's businesses, Australia's economy and Australia's future—represents a very strategic decision and one that has been very wisely made.

Also, there is no doubt that the AIIB will work closely with the private sector to deliver these infrastructure projects. Given that Australian businesses are considered to be world leaders in many of the areas of infrastructure delivery, the opportunity is there for Australian businesses on the ground, not just the benefits of the infrastructure once it has been provided but there are opportunities in the build phase of the infrastructure for Australian companies. That also needs to be considered in realising the net value to Australia, the net economic benefit and the net economic opportunity, of its involvement in the Asian Infrastructure Investment Bank.

Consistent with the treatment of Australia's contributions to other international financial institutions, Australia has paid in capital. It will be treated as an investment. Therefore, it does not come at a cost to other government spending and will not directly add to the budget deficit, which is very important for Australia's books, to make sure that we keep our credit ratings where they need to be, sensibly treating capital as an investment.

But you do not just need to take my word for the benefits that this opportunity is going to provide for Australia. A number of people have come out publicly in support of the Asian Infrastructure Investment Bank. And I think it is very important that we seriously take into account some of the comments that have been made by important heads of Australian industry and industry groups. They are the ones who represent the very people who will be the beneficiaries of this particular project. But we must also reinstate, reinforce every time, that if we have businesses that are going well in this country, these businesses employ people, and the most important bottom line is to ensure that the majority of Australians—that every Australian we can possibly can get into the workforce—has an ongoing job. That is probably the most important thing that any government can achieve.

But we as a government believe that the best way of facilitating people getting jobs is making sure that the jobs exist in the first place. You cannot create jobs out of thin air; hence we believe that investment in these long-term productive activities is much more important. It comes back to the old saying that if you want to feed a man for a day you give him a fish but if you want to feed him for life you give him a fishing rod. I think that is very important with these sorts of projects, these sorts of strategic investments by government. What we are seeking to do is provide the fishing rod to Australian industry so that we are actually able as a country to feed our people in the longer term and make sure they have jobs, have a standard of living to which I think all Australians aspire. And we certainly do not want to see our standard of living slipping backwards the way it has done over the past few years. It is these sorts of investments into the future and the future prosperity and economic opportunity that will make sure that Australia retains or regains its position as an economic powerhouse that is able to deliver for all citizens of Australia.

But, as I said, do not just take my word for it. There are a number of industry leaders who have been very public on the record about their support for this opportunity. As an example, the chair of Industry Super Australia, Peter Collins, said:
This move will be a huge fillip for Australian expertise in funds management, engineering, construction, architecture and legal services which could be widely applied to projects financed by the AIIB.

He also said:
The activities of the AIIB will not only provide new opportunities to deploy capital but also export super funds’ know how in connecting pension savings to bankable projects.

And:
The resources of the AIIB will increase scope for pension and sovereign wealth funds to invest in long term, productive assets in the region.

So, obviously the head of one of Australia’s large industry super funds has seen the opportunity for his particular funds and resources that he has available for investment in these sorts of projects and that they really give him the opportunity to generate the economic growth that he needs to in order to provide the outputs that need to occur at the end of the investment in a superannuation scheme.

The Business Council of Australia chief executive, Jennifer Westacott, equally made some very positive remarks about the opportunities that the infrastructure bank provides for Australia:

The Business Council of Australia (BCA) welcomes the government’s decision to join the Asian Infrastructure Investment Bank (AIIB) as a founding member.

As a founding member, Australia can play a key role in setting the direction of this body and the decisions it will make to finance projects that address Asia’s infrastructure gaps.

Australian companies will benefit from opportunities to participate in developing and building new AIIB financed infrastructure, as well as having access to improved infrastructure which facilitates trade in the region.

Ms Westacott obviously has taken the view that the opportunities are not just in the development or the build component of the opportunities that this bank provides but also in the increased trade and investment opportunities for Australia in the region.

Australian Industry Group chief executive Innes Willox was equally full of praise for the bank:

AI Group welcomes Australia’s participation in the Asian Infrastructure Investment Bank. We have argued for some time that the AIIB’s objective of financing infrastructure development in the Asia-Pacific region will foster greater trade and economic development in the region of Australia’s closest and most important economic partners.

Given our national ambitions to be more thoroughly engaged in the Asian region, it makes clear sense for Australia to become a founding member of the AIIB and to work to ensure its success.

Mr Willox makes a very good point in terms of the strategic overall policy of this government in acknowledging and recognising the opportunity that Asia provides for Australia. So often we hear the rhetoric whereby governments say that they are going to do things—‘We are going to be the food bowl of Asia’; ’We are going to feed the world’; ’Agriculture is going to be one of the mainstays of our economy.’ So often we hear the rhetoric, but often the policies that sit behind that rhetoric do not deliver the outcomes of the policy.
If you have look at a broad range of the activities that have occurred under the government that I am a member of—this current coalition government—many of the things that we have sought to put in place since coming into government have been the policy implementation and real actions behind the rhetoric that we have heard for such a very long time. The free trade arrangements that we have put in place with Korea and Japan—and hopefully we will see the nonsense in relation to the ChAFTA arrangements resolved very shortly when the opposition realises that focusing on one particular component of that agreement is completely silly in comparison with the massive economic benefits that we can deliver to our country from signing it. When you look at the agricultural white paper that we have seen in recent times and, on top of that, this particular bill today—the Asian Infrastructure Investment Bank Bill 2015—that seeks to provide the opportunity, the authority and the appropriations for Australia's involvement in what I think is a very important initiative and a fantastic opportunity—the Asian Infrastructure Investment Bank—which will enable many Australian businesses, over a very long period of time, to realise the series of opportunities that would not otherwise be available to them in the largest and most quickly growing economy in the world. (Time expired)

Senator LAMBIE (Tasmania) (13:47): I rise to oppose the Asian Infrastructure Investment Bank Bill 2015. The main purpose of this bill is to facilitate Australia becoming a founding and substantial financial member of the Asian Infrastructure Investment Bank. The title of this bank and legislation is fundamentally misleading. It is not Asia that has established this bank; it is China. China announced its intention to establish the bank in October 2013 and is driving this project. If China had chosen not to project its economic power into Asia and the South Pacific through the establishment of this bank, this debate would not be happening today in our parliament. Up-front, if we are to be honest, it should be called the 'China and Other Countries Infrastructure Investment Bank', not the Asian Infrastructure Investment Bank.

There are many reasons not to agree to this legislation, but before I detail the most common found in our media I would like to make this point: this financial organisation will be controlled and heavily influenced by the communist government of China. The Parliamentary Library report states:

To illustrate the disparity in voting power, China, the largest AIIB shareholder will have 297,804 Share Votes while the Maldives will have just 72 Share Votes.

A weighted voting system ensures decision-making reflects the relative size of a country’s capital contribution. However, it potentially creates a longer-term challenge because of the need to ensure the distribution of power within the organisation keeps pace with shifts in relative economic power. In multilateral organisations, representation and voice can be strongly linked to perceptions of legitimacy and effectiveness.

As China will have over a quarter of the votes, under the AIIB’s Articles of Agreement it will have an effective veto over issues requiring a ‘super majority’, defined as 75 per cent of votes and two-thirds of all member countries. The types of issues requiring a super majority include selecting the President, increasing the capital stock of the AIIB and changing the size and composition of the Board of Directors. However, this is not without precedent. The United States is the only country to have a veto over major governance decisions at the IMF and World Bank.

No serious financial expert or commentator will ever say you can trust any financial figures that emerge from the government of China. Because of a lack of transparency and basic
integrity, all financial figures and reports that are created by the Chinese government are viewed by every free-world Western economy and every Australian peak body representing Australian business as suspect and to be taken with a grain of salt. Just like the Chinese free trade agreement, we are making the mistake of entering into a deal with an organisation that is not like any private sector entity in the Western world—because it is not a private sector entity with the same rigorous, trustworthy reporting mechanisms.

This bank will be an arm of the Chinese communist government just like its military, whose purpose will be to protect, expand and spread the influence of communist, not democratic, culture. The influence of the Chinese government is being felt in this parliament today through at least $5.5 million in political donations from people linked to the Chinese government, so it is little wonder that there will be little or no resistance to this legislation which the Australian bankers are all supporting. The Australian banking industry is another group of people who have considerable influence in this parliament due to the amount of political donations they give to political parties and the people who have come from the banking industry and now occupy high positions of authority in our political system.

It is not just me who has expressed grave concerns about the establishment of the 'China and Other Countries Bank' and participation in it. Some very respected people and sources have raised serious concerns, which the Australian government is now ignoring by entering into this deal. From Huey Fern Tay, the ABC journalist based in Beijing:

China is the biggest shareholder at 30%, Australia is 6th largest with 4.9% voting power—putting us at a great disadvantage.

And:

Japan and US refuse to join—why? Well the AIIB doubles up on the World Bank and Asia Development Bank. There are still doubts surrounding the AIIB's transparency and governance standards, even though Australia waited for those to be improved before joining.

ABC business reporter Stephen Letts writes that the Asian Infrastructure Investment Bank is:

… self-serving as China hopes the AIIB will be a better way to deploy its massive foreign exchange reserves, which are earning almost nothing in the US Treasury bonds.

From The Economist we read:

… China will use the new bank to expand its influence at the expense of America and Japan, Asia’s established powers. China's decision to fund a new multilateral bank rather than give more to existing ones reflects its exasperation with the glacial pace of global economic governance reform.

Yun Sun, writing in The Diplomat, has said that China has capital share of 30 per cent and voting rights of 26.06 per cent and:

… will have veto power on issues that require a supermajority vote, such as the board, the president, the capital, as well as the major operational and financial policies. Retention of a veto reflects China's determination to retain control on key aspects of the bank.

Most Australians will remember the surprise visit of a flotilla of three Chinese warships which sailed past our territorial waters and Christmas Island in February 2014 on a military exercise that included combat simulations. The media report of the incident said:

Never before has a Chinese naval drill come so close to Australia.

… … …
This month's exercise took the theory a good step closer to reality, bringing China's bold ambitions virtually to Australia's doorstep. In doing so, it has crystallised the challenge facing our military planners in preparing for a very different world.

On the subject of China's military might, I think of its recent parade. While our military planners are preparing for a very different world because of the rapid increase in Chinese military might and the willingness of the Chinese government to use that might, it appears that the Liberal and National Party leaders and members of this parliament, with their calls to rush into a free trade agreement with China and this legislation, have not prepared for a very different world. Australia's purchase of hundreds of billions of dollars of sophisticated military hardware—F35 fighter jets and submarines—is because of the very real military threat the Chinese communist government poses to our nation and our allies. This is a simple statement of fact not, as some would have you believe, a xenophobic rant.

Most Australians would be shocked to learn of the size of the donations to our major political parties by people who have links—most likely strong links—to the Chinese communist government. Especially in the light of the approval of the Chinese government state owned Shenhua mine, the question must be asked and answered: what political influence does this money—$5.5 million—buy?

This government wants the Australian people to rush into both a banking deal and trade deal with a country which recently put on a parade which The Economist magazine described as: 'a show of military muscle in Beijing to upset Asian neighbours'. Indeed, so aggressive was the display of Chinese military might this year that every western government chose not to send their leaders to a ceremony whose primary purpose was to celebrate victory over the imperialist Japanese forces and fascism. This was a conflict on mainland China in World War II which killed 35 million Chinese and tied up 600,000 Japanese troops, a feat of resistance by the Chinese people which most likely prevented the invasion of Australia.

This government has had a very mixed approached to China. Our previous Prime Minister, Mr Abbott, boycotted China's most important cultural event in six years because of fears about China's military aggression and expansionism, while his party urges this Senate to support legislation like the China free trade agreement which undermines our nation's sovereignty—and I refer to the investor-state dispute settlement provisions which allow the Chinese government to sue our government if we pass legislation thought this house which the Chinese believe harms their commercial interests.

The government's own figures reveal that Chinese investment in Australia in the last 10 years has increased—without a China infrastructure bank or a free trade deal—by a factor of 10. It has risen from $3 billion to $32 billion. The average Australian would like to know where the Chinese money has been spent. How many Australian jobs have been created and where are they? Before we enter into this deal and others there needs to be more comprehensive community discussion that engages ordinary Australians, not just the elite, from both sides of the political divide.

Media reports indicate that the American President has stopped using a famous hotel chain because of espionage fears after the hotel chain was bought by people linked to the Chinese government. Are we going to call the American President xenophobic because his administration is taking precautions and is vigilant about Chinese espionage and other forms of cultural and industrial attacks on western values of democracy and liberty? In the national
interests of Australia I oppose this legislation and course of action. There are better ways of conducting business with China which respect our democratic values and our rule of law and guard our children's liberty and freedoms.

Debate interrupted.

MINISTERIAL ARRANGEMENTS

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (13:58): by leave—Mr President, I advise the Senate that yesterday the parliamentary Liberal Party met and elected the member for Wentworth as leader. As a consequence, earlier today His Excellency the Governor-General received the resignation of the Hon. Tony Abbott as Prime Minister. The Governor-General then commissioned the Hon. Malcolm Turnbull as Prime Minister. There will be further announcements about ministerial arrangements in due course. Until that time, the current ministerial arrangements and representative arrangements continue. I thank the Senate.

STATEMENTS BY SENATORS

Economy

Senator BERNARDI (South Australia) (13:59): by leave—I would like to stand and congratulate my party for its unified approach to the Australian economy. We are absolutely committed to delivering on jobs and having a better and brighter future, unlike those opposite. The Labor Party has a history, a track record, of destroying the Australian economy and shamelessly pursuing—

The PRESIDENT: It being 2 pm, we will move to questions without notice.

QUESTIONS WITHOUT NOTICE

Prime Minister

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (14:00): My question is to the minister representing the Prime Minister, Senator Abetz. I refer to the refusal by the Leader of the Government in the Senate to support the new Prime Minister last night. Will he now do the honourable thing and resign, or is he waiting to be sacked?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:00): Unlike those on the other side, I can show my hands and they are clean. Can I also indicate that at all times I have supported the parliamentary leader as elected by my colleagues. As colleagues would know, my motto is: when you win you don't gloat, when you lose you don't moan and you get on with the task of delivering good government for the people of Australia. That is what all my colleagues are devoted to doing irrespective of the way they may have voted yesterday, because we see the overriding imperative of fixing up the economic vandalism that was bequeathed to us by the worst finance minister this country has ever had—the CFMEU operative, Senator Penny Wong.

We want to get rid of union corruption. We want to get rid of the thuggery. We want to ensure that our borders remain protected. We want to make sure that the free trade agreements are locked into place to ensure that we can get the growth that this country so desperately needs if we are to grow jobs in this country. We are absolutely united in getting rid of the red
and green tape that has so strangled this country for so long. To make the assertion that I refused to endorse the new Prime Minister is simply false. He has my support as the elected Liberal leader and always has.

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

Senator Cameron: I rise on a point of order. This is misleading the Senate. The minister indicated yesterday—

The PRESIDENT: That is not a point of order.

Senator Cameron: He accused his colleagues of bastardry and treachery.

The PRESIDENT: Senator Cameron, that is not a point of order. That is a debating point. Minister, have you concluded your answer? You have 17 seconds.

Senator ABETZ: I have no idea where Senator Cameron got that quote from. We know Senator Cameron has a track record of misquoting me.

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (14:03): Mr President, I ask a supplementary question. Does the Prime Minister have confidence in the Leader of the Government in the Senate, the Treasurer, the defence minister, the finance minister and the Minister for the Environment in his new cabinet? And do they all have confidence in him?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:03): The answer to all those questions is yes. As the Prime Minister has indicated, he will be making announcements for a future cabinet in due course. Can I indicate that we serve at the pleasure of the leader and we do so on a daily basis irrespective of who might be leader. We continue to serve for the benefit of the people of Australia. Whilst Senator Conroy might want to play personality games, we are getting on with the policy imperatives that this country so desperately needs. We know the legacy left to us by the Australian Labor Party, a legacy of deficit and debt that will hang around the neck of the next generation unless decisive action is taken—the sort of decisive action that has seen over $50,000 million cut from the budget. (Time expired)

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (14:04): Mr President, I ask a further supplementary question. Does the minister agree with Senator Bernardi's assessment of last night's coup, that 'This is treachery of the highest order'?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:04): I have long learnt not to take seriously the Labor Party quoting people. I have a very simple approach to these things: the king is dead, long live the king! The Prime Minister has our support.

Trade with China

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (14:05): My question is to the Minister for Employment, Senator Abetz. Can the minister outline to the Senate how the China free trade agreement will drive economic growth and why any delay in its implementation will be costly?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:05): I thank
Senator Bushby for the question. The China-Australia Free Trade Agreement is an outstanding agreement that will see benefits flow to Australian businesses immediately. This free trade agreement will result in a sharp growth in export trade, create significant new openings for Australian services and result in increased investment flows. The government is working hard to ensure the agreement can be brought into force before the end of this year. Why? Because it will result in double-whammy effective tariff cuts for our exporters—one round of cuts this year and a second round in January 2016. This would result in literally hundreds of millions of dollars in tariff or tax relief for our exporters. If this free trade agreement is delayed beyond this year or worse, the costs will be enormous. As our farmers say, a delay will cost agriculture alone $300 million in 2016, with untold flow-on effects to rural and regional communities. Failure to ratify the agreement will cost the red-meat industry $100 million, the dairy industry up to $60 million, the wine industry up to $50 million and the grains industry more than $43 million. The coal industry says that every week of delay will cost it about $4.6 million in extra tariff payments on thermal and coking coal.

The Financial Services Council warns that if ChAFTA is stopped it would cost our economy more than $4,000 million. China buys almost a third of all Australian exports, valued at nearly $108 billion in 2013-14, and is our top overseas market for agriculture, resources and services exports. Labor's Senator Wong and Mr Shorten need to get out of the way. (Time expired)

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (14:07): Mr President, I ask a supplementary question. Can the minister inform the Senate how the China-Australia Free Trade Agreement will be a boost for all sectors of the Australian economy and create jobs?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:07): The Business Council of Australia says:

With one in five Australian jobs linked to trade, these agreements turn the tyranny of distance into the era of opportunity.

The dairy industry says that the China-Australia Free Trade Agreement will create 600 to 700 jobs in its first year alone. And other industries, such as beef, horticulture, wine and so on, will see strong jobs growth.

The Financial Services Council says the agreement will result in the creation of 10,000 new jobs. The natural health supplements company, Blackmores, has already hired an additional 100 people to help deal with the increasing demand out of Asia. They are expecting continued strong growth because of the China-Australia Free Trade Agreement.

The Seafood Trade Advisory Group says that the agreement gives the industry the confidence it needs, saying that the agreement's benefits will accrue to Australia's regional and coastal communities with an estimated 8½ thousand jobs. (Time expired)

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (14:08): Mr President, I ask a further supplementary question. Can the minister advise the Senate how the China-Australia Free Trade Agreement will benefit particular agricultural industries in my home state of Tasmania?
Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:09): Our home state of Tasmania will be a huge beneficiary of this agreement. Tim Reid, a cherry grower in my home state of Tasmania, recently travelled to China on a business mission to explore the opportunities. Mr Reid says that he has seen a more than thirtyfold increase in exports of cherries to South Korea in just the first few months of the Korean free trade agreement, which eliminated a 24 per cent tariff.

Following the drop in export costs to Japan, the Abalone Farms Australia director says they are now exploring how they can capitalise on the reductions delivered by the free trade agreement. Under the free trade agreement the 14 per cent tariff on live and fresh chilled abalone will be removed. And the largest honey company in Tasmania, OzHoney, is looking forward to tariffs of up to 15 per cent being slashed. Mr Bourke, the owner, says, ‘We’re producing record numbers of everything.’ (Time expired)

Turnbull Government

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:10): My question is to the Minister for Finance, Senator Cormann. I refer to the Prime Minister, who says the government’s economic team has:

… not been capable of providing the economic leadership our nation needs.

As the finance minister in this economic team—the minister who has overseen increased net debt, the doubling of the deficit and slowing economic growth—will the finance minister now do the honourable thing and resign? Or is he waiting to be sacked?

Honourable senators interjecting—

The PRESIDENT: Order! On both sides!

Senator CORMANN (Western Australia—Minister for Finance) (14:11): What a juvenile question from the worst finance minister in the history of the Commonwealth! When we came into government in September 2013, the legacy that we inherited was a weakening economy, rising unemployment and a budget position that was deteriorating rapidly and, of course, in the 11 or 12 short weeks between Labor’s last budget and their last pre-election budget update the budget position deteriorated by more than $30 billion—more than $30 billion! That is $3 billion a week!

We came into government with a plan to repair the budget, with a plan for stronger growth and more jobs. Of course since we came into government, in Australia we have faced a series of additional challenges—given global economic conditions. We have confronted the worst fall in our terms of trade in about 50 years. And if you consider the challenges that we have been facing as a trading nation, then the Australian economy continues to perform quite well and we are in a better position now to take advantage of future opportunities. We are in a better position now to be as resilient as possible in the face of future challenges as a result of the work that we have done over the last few years.

The senator asked me about the comments made by the Prime Minister. Let me just say that I am looking forward to working with the Prime Minister in putting Australia on a stronger economic and fiscal foundation for the future—on making sure that we put Australia in the strongest possible position to deal with the challenges that inevitably come our way from time to time, even if you are an open, trading economy—and to make sure that we are in
the best possible position to take advantage of the opportunities that come our way in the Asia-Pacific.

Of course, a central part of that is the China-Australia Free Trade Agreement that we have concluded with China and that Labor is too weak to support, even though they know it is in the national interest. (Time expired)

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:13): Mr President, I ask a supplementary question. Does the minister agree with the Prime Minister's statement that the government's economic team has, again:

… not been capable of providing the economic leadership our nation needs.

Or does he think that the Prime Minister was only talking about the Treasurer?

Senator CORMANN (Western Australia—Minister for Finance) (14:13): What another juvenile question from the worst finance minister in the history of the Commonwealth! This is the finance minister who left Australia with spiralling debt and spiralling deficits, and no amount of Labor spin is going to whitewash the disastrous record that she left behind.

This government will continue to work every day to put Australia on a stronger economic and fiscal foundation for the future. This government will continue to work every day to ensure that the budget is in the strongest position possible. As I have indicated in response to the senator's primary question, I look forward to working with the Prime Minister in putting Australia on a stronger foundation for the future. I am looking forward to working with the new Prime Minister in implementing our economic plan to ensure that everyone across Australia has the best possible opportunity to get ahead. Labor can continue to play politics; we will continue to focus on the national interest. (Time expired)

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:14): Mr President, I ask a further supplementary question. Did Mr Turnbull ever raise concerns with the finance minister that the current economic team was not capable of providing the economic confidence that business needs? Or was yesterday's press conference the first time the Prime Minister had heard this criticism?

Senator CORMANN (Western Australia—Minister for Finance) (14:15): This is coming from a former failed finance minister who was there at the scene of the crime, stabbing a Labor Prime Minister twice. On this side of the parliament it is a matter of public record that we as a party made a decision yesterday—

The PRESIDENT: Pause the clock.

Senator Moore: Mr President, a point of order on direct relevance: the question was about whether Mr Turnbull ever raised the concerns with the minister and also whether yesterday was the first time he had heard these concerns. The minister has gone nowhere near that question.

The PRESIDENT: Thank you, Senator Moore. The minister has 37 seconds in which to answer the question.

Senator CORMANN: The senator would not be surprised to hear me say that conversations between me and the Prime Minister that are of a private nature will remain private. But what I can say is that I look forward to working with the Prime Minister and indeed with all of my colleagues in the cabinet and in the coalition party room to do
everything we can every day to put Australia on a stronger foundation for the future to make sure we are in the best possible position to be as resilient as possible to face the challenges and in the best possible position to take advantage of opportunities, in particular in the Asia-Pacific. (Time expired)

Climate Change

Senator DI NATALE (Victoria—Leader of the Australian Greens) (14:16): My question is to the Minister representing the Prime Minister, Senator Abetz. Upon deposing Prime Minister Abbott last night, the new Prime Minister Turnbull promised 'a thoroughly Liberal government committed to freedom, the individual and the market'. Given that one of the biggest economic challenges for Australia is the threat of global warming, and given that this government's policy to address global warming—Direct Action—stands in direct opposition to the principles of a market based mechanism, will the government now change tack and support the only sensible, economically rational and sane approach to tackling global warming and now adopt a price on pollution?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:17): The government continues to oppose a carbon tax. We will be going to the next election campaigning against the Labor-Greens proposal to put in such a policy, having experienced it in the past, knowing how corrosive it is for household budgets and how destructive it is for Australian jobs. So, we will not be going down that track. The new Prime Minister has indicated that he fully supports the approach taken by the Minister for the Environment, Mr Hunt, and Ms Bishop, the foreign minister—the proposal we will be taking to Paris. That is a plan that is workable and is affordable, without the sorts of destructive consequences that are inherent in the Labor-Greens policy—a message that they should have gleaned from the Australian people after the 2013 election but which they have not gleaned, which they have not received. Therefore, I would invite the Australian people to remind the Greens and the Labor Party at the next election of the importance of hammering home to the Labor Party and the Greens that the Australian people will not tolerate a carbon tax which is so destructive to Australian family household budgets and also to jobs. The Greens Senate leader can be confident that the government will retain the course that has been set in this area, which is balanced, which is sensible—

The PRESIDENT: Pause the clock.

Senator Whish-Wilson: Mr President, a point of order: the question related to a price on carbon. Senator Abetz is talking only about a carbon tax. He has not addressed the question that was asked.

The PRESIDENT: Also, the minister was asked whether the government will now change tack, and I think the minister has been very relevant to the question. Minister, had you concluded your answer?

Senator ABETZ: Yes, I had.

Senator DI NATALE (Victoria—Leader of the Australian Greens) (14:19): Mr President, I ask a supplementary question. Given that the new Prime Minister said he would only lead a party that was as committed to action on climate change as he is, and given that this government's targets are half of those that are required to tackle catastrophic global warming,
will the government review its targets, or were the new Prime Minister's words just empty, hollow rhetoric and more of the same?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:20): The government will not review the targets, because the government is setting a course for Australia to reduce its CO₂ emissions at the highest level of any country per capita. We are reducing at a higher level than any other country on a per capita basis. That is something that the Australian Greens know to be fact yet refuse to admit, because they are so committed to their extreme ideology that no matter how good the coalition government is in delivering in this area it will continue to deny the truth, which is that we are delivering well and truly beyond our task on a per capita basis—keeping in mind that we provide cheap foodstuffs to many other countries in the world and provide good, clean coal to many other countries in the world.

Senator DI NATALE (Victoria—Leader of the Australian Greens) (14:21): Mr President, I ask a further supplementary question. Given that the new Prime Minister said that we need economic leadership in this country—and central to that has to be tackling the issue of catastrophic global warming—how can he be taken seriously when this government's policy to address climate change is regarded by every mainstream economist as a joke?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:21): The Australian Greens talking about mainstream: I think I have heard it all now! Really, for the Australian Greens to pretend that they represent the mainstream is a new revelation. I like the ambition of the new Leader of the Australian Greens to get the Australian Greens somewhere into the mainstream, but I have news for him: there are many economic commentators who have seen the rationale of the government's approach and have seen the very importance of us taking our task seriously by reducing per capita emissions by 50 per cent—the highest per capita reduction of any country in the world. Yet that still is not enough for the so-called mainstream Greens. Well, really, what do you want? I think we heard a question—(Time expired)

Economy

Senator BACK (Western Australia) (14:23): My question is to the Minister for Finance and Minister representing the Treasurer, Senator Cormann. It relates to building the Australian economy. Will the minister inform the Senate why the Australia-China Free Trade Agreement is so important to Australia's future economic prosperity and job growth?

Senator CORMANN (Western Australia—Minister for Finance) (14:23): I thank Senator Back for his very important question. The Australia-China Free Trade Agreement will be a key driver of our future economic success. It will be giving Australian exporters better access to a key market—the second largest economy in the world, our biggest trading partner already. This free trade agreement will give Australian exporters better access to that market by bringing down the cost of providing products and services into that market, and by doing that it will help Australian exporters be more successful and help them to employ more Australians. Senator Wong does not seem to be taking this very seriously at all. Senator Wong should be embarrassed, and under the weak leadership of Mr Shorten the Labor Party is
standing in the way of stronger growth and more jobs that would inevitably flow from the China-Australia Free Trade Agreement.

Senator Bushby: Shame.

Senator CORMANN: It is a shame, as Senator Bushby quite rightly points out. The China-Australia Free Trade Agreement will deliver more jobs, it will deliver higher wages, it will obviously deliver increased exports and it will deliver better living standards here in Australia—these are all things that Labor is standing in the way of. China, as I have indicated, is already Australia's largest trading partner. It buys almost a third of all Australian exports, valued at nearly $98 billion in 2014. The opportunities to grow that are immense, in particular in the services space and in the agricultural space, and if you look at the services market, in particular, $8.2 billion worth of services are exported into China, which we will be able to grow significantly while significantly boosting jobs along the way. (Time expired)

Senator BACK (Western Australia) (14:25): Mr President, I ask a supplementary question. Will the minister inform the Senate how the China-Australia Free Trade Agreement provides opportunities in the area of government procurement?

Senator CORMANN (Western Australia—Minister for Finance) (14:25): I thank Senator Back for his supplementary question. As the Chinese economy transitions from being reliant on infrastructure spending and exports to being a service economy with a high level of domestic consumption, Australia has been given a unique first mover advantage in a wide range of services. Australia was an integral part of the first phase of China's rapid development by supplying iron ore, and we will be part of the next phase by providing services. As part of these services opportunities, the China-Australia Free Trade Agreement provides a pathway to open opportunities in general government procurement based on principles of a fair and non-discriminatory treatment for Australian suppliers and products. China has a $1.5 trillion government procurement market, and in Australia we have great depth in the market for private services to government. There are tremendous opportunities here for Australian service exporters, and Labor should be getting out of the way and letting it happen.

Senator BACK (Western Australia) (14:26): Mr President, I ask a further supplementary question. Can the minister advise the Senate of any risks to the China-Australia Free Trade Agreement and, if there are any, what are the implications of these risks for the Australian economy and for jobs in our community?

Senator CORMANN (Western Australia—Minister for Finance) (14:27): The biggest risk to Australia's future success which would follow the implementation of the China-Australia Free Trade Agreement is the weakness of the current leader of the Labor Party, Mr Shorten, and the weakness of his shadow cabinet to stand up to him and force him to do the right thing. Where is the shadow minister for trade and investment? She is not only their worst finance minister in the history of the Commonwealth; she is also the worst shadow minister for trade and investment in the history of the Commonwealth. She is running up records for worst performance in portfolio after portfolio. She knows in her heart of hearts that the China-Australia Free Trade Agreement is in our national interest, that it will help deliver growth in jobs. She knows she should do the right thing—she could get her leader to back Bob Hawke, Bob Carr and a whole lot of other Labor luminaries that have been backing
the agreement. Or is she still, like Senator Cameron used to say, having her lobotomy— (Time expired)

Climate Change

Senator KETTER (Queensland) (14:28): My question is to the Minister representing the Prime Minister, Senator Abetz. Does the minister agree with the Prime Minister that the coalition's Direct Action Plan is an environmental fig leaf and a recipe for fiscal recklessness on a grand scale?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:28): What Senator Ketter undoubtedly does not tell us is the timing of that particular statement, because what the Prime Minister has indicated in recent times very clearly is that the plan that we are taking to Paris is one that he supports; it is a plan that puts Australia at the forefront of action in this space, with a 50 per cent reduction on a per capita basis. That is the biggest cut per capita of any country in the world. That is a measure that the Prime Minister fully supports. We on this side of the chamber fully support it.

What we know from the Labor Party is that in their bid for Green preferences in inner-city seats they would go to the bizarre level of trashing the Australian economy, trashing Australian household budgets and trashing Australian jobs in a bid to ensure that the Deputy Leader of the Labor Party, Ms Plibersek, is re-elected in her inner-city seat and in the hope that the Labor Party might win the seat from Mr Bandt. I say to the honourable senator that we as a government are committed to doing our bit, but in a very responsible manner which will not prejudice Australian jobs and households.

Senator KETTER (Queensland) (14:30): Mr President, I ask a supplementary question. Does the minister agree with the Prime Minister that by:

… relying so heavily on market forces to address this challenging problem, the ETS is far more in the great traditions of modern Liberalism than any other available policy response.

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:30): When you start having a Labor Party senator pretending to know what the great tradition of liberalism is, you know that they are really desperate to try to get into the policy space—

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

Senator Wong: Mr President, I raise a point of order. I am not sure if the senator misheard the question. It is a quote from Mr Turnbull. It is not Senator Ketter.

The PRESIDENT: There is no point of order. The minister was just commencing his answer.

Senator ABETZ: The Labor Party's approach to this would see the Australian GDP reduced considerably. It would mug the economy by $633 billion and real wages growth would be around six per cent lower. Australian income—

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

Senator Moore: Mr President, I raise a point of order on direct relevance to the quote provided to the minister in the question. He has not come close to responding to that quote.
The PRESIDENT: I remind the minister that he has 27 seconds in which to answer the question.

Senator ABETZ: The Australian Labor Party has a policy that they, of course, do not want expounded in this chamber, because they do not want the Australian people to hear what the consequences of Labor Party policy are. Mr Turnbull fully supports the approach of the government which he now leads, a government that will be taking a plan to Paris—

Senator Conroy: In 25 seconds, could he have—

The PRESIDENT: Pause the clock. Senator Conroy, your colleague is on her feet. Senator Moore, on a point of order?

Senator Moore: Mr President, I raise a point of order. Again, in the remaining four seconds, as my colleague has said, we have not come near to that quote. Could you please, again, draw the attention of the minister to the quote?

The PRESIDENT: I remind the minister that he has four seconds in which to answer the question.

Senator ABETZ: That the Prime Minister actually supports the government’s policy.

(Time expired)

Senator KETTER (Queensland) (14:32): Mr President, I ask a further supplementary question. Is the Prime Minister right to say that he has:

… no doubt we will have an emissions trading scheme in Australia.

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:33): Once again, an unsourced and undated quote. But one thing I do know is that Senator Ketter’s party went to the election promising that there would be no carbon tax, then introduced a carbon tax, then went to the 2013 election saying that they had already abolished the carbon tax. Then, when we sought to abolish the carbon tax, Senator Ketter and his colleagues ensured that we could not abolish the carbon tax until such time as the crossbenchers came to the rescue of the Australian people and represented their interests.

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

Senator Conroy: Two more question times!

Senator Moore: Mr President, I raise a point of order relating to direct relevance to the question, which refers again to a quote. The minister has not referred in any way to the quote in the question.

The PRESIDENT: At the commencement of his answer the minister did express some doubt about the quote. I remind the minister of the question. He has 30 seconds in which to answer.

Senator ABETZ: When the Labor Party serves up quotes, you have to look at them exceptionally carefully. As we know, Senator Wong, Senator Cameron, Senator Conroy and Senator Carr—and I hope Senator Ketter is not falling for it as well—have a capacity to misquote and distort. The one thing that we know was not distorted was the promise by the Labor Party that there would be no carbon tax. Then they introduced one; then, when they
were given the opportunity to repeal the carbon tax, they repudiated the wish of the Australian people. *(Time expired)*

**Trade with China**

**Senator LINDGREN** (Queensland) (14:34): My question is to the Minister for Human Services, Senator Payne, representing the Minister for Trade and Investment. Has the minister seen claims by the CFMEU that the government has agreed to lower protections for Australians under the China-Australia Free Trade Agreement compared to other trade agreements? What is the government's response to these claims?

**Senator PAYNE** (New South Wales—Minister for Human Services) (14:35): I thank Senator Lindgren for what is a very important question. I want to make it very clear to the chamber that the China-Australia Free Trade Agreement has maintained very important protections for Australian workers, just as has been done in both of the other trade agreements that we have concluded, with Japan and Korea.

The China-Australia Free Trade Agreement will support increased trade and investment. Logically, it will help grow Australian jobs and prosperity. But those opposite do not seem to want to grow Australian jobs. Their attempts, and those of the CFMEU, to confuse and mislead about the effect of the China-Australia Free Trade Agreement's provisions will only threaten the creation of those jobs.

In fact, the approach to labour mobility in this agreement is not new. Commitments on labour mobility are a standard part of trade agreements concluded under both sides of this chamber—Labor and Liberal governments. The labour mobility provisions in this agreement are consistent with Australia's existing immigration policy settings. The agreement will not remove employer nomination and sponsorship requirements under the 457 visa program, including minimum wages and employment and training conditions. Australian employment laws, salaries and conditions will not be undermined, nor will companies be able to avoid paying Australian wages by using foreign workers. These are key safeguards which protect Australian jobs.

As former Labor trade minister Simon Crean has said:

I do not support eroding the labour market testing or eroding the standards. But this agreement does not do that.

So let us get a factual base about this. Let us get on with the real issue: the job opportunities. We diminish our opportunities for jobs going forward if we do not sign this agreement. Simon Crean, former Labor trade minister—*(Time expired)*

**Senator Cameron interjecting**—

**The PRESIDENT:** Senator Cameron, I would love to get you a seat like that.

**Senator LINDGREN** (Queensland) (14:39): Can the minister advise the Senate of her response to the claims by the CFMEU that under the China-Australia Free Trade Agreement there will be no obligation for local labour market testing for major infrastructure projects?

**Senator PAYNE** (New South Wales—Minister for Human Services) (14:39): I am aware of the claims, and they are quite simply false. In fact projects worth more than $150 million will still require labour market testing. The IFAs, or investment facilitation arrangements, are actually modelled on the enterprise migration agreement which, as I recall, was Labor's idea.
But there is a key difference. Under the IFA not only is labour market analysis required but also labour market testing is a mandatory requirement. So our investment facilitation arrangement has far more stringent safeguards to ensure that Australian workers get the first opportunity than Labor's EMA ever did. We have in fact done more than Labor ever did to ensure that Australian workers receive the first opportunity on major projects in Australia. That is something that those opposite are not prepared to accept. Their negativity and their campaign against the China-Australia Free Trade Agreement will only damage opportunities for business in the region. (Time expired)

Senator LINDGREN (Queensland) (14:39): Can the minister inform the Senate whether the government believes that the CFMEU’s campaign against the China-Australia Free Trade Agreement is xenophobic?

Senator PAYNE (New South Wales—Minister for Human Services) (14:39): Very disappointingly, I find it quite hard to deny that the CFMEU's campaign against the China-Australia Free Trade Agreement is xenophobic. I find it even harder when I hear former presidents of the Australian Labor Party making exactly that criticism. Former Labor president Mr Warren Mundine recently wrote:

Having lived under the shadow of racism my whole life, the bigoted anti-ChAFTA campaign makes me deeply angry. It's embarrassing watching Labor dance around why they oppose ChAFTA when they didn't oppose similar deals with other countries; or why the labour market testing regime isn't good enough for Chinese companies when it's good enough for everyone else.

That is a scathing criticism. It highlights the absolute hypocrisy of the CFMEU to oppose these arrangements when they apply to China but not when they apply to Chile, Japan or Korea. The Labor Party under Mr Shorten and Senator Wong is at odds with very senior former members like Bob Hawke, Martin Ferguson, Bob Carr and Simon Crean. (Time expired)

Broadcasting Legislation

Senator MUIR (Victoria) (14:40): My question is to the minister representing the Minister for Communications, Senator Fifield. Is the minister aware of the campaign to bring about media reform so that regional broadcasters are able to compete fairly with big city media? Can the minister inform the Senate whether there has been any serious discussion of the issue within senior levels of government, what the government's position is and whether there has been a detailed discussion paper on the issue that will bring to light the various agendas of the media outlets, principally Channel 7, which are opposed to the changes?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (14:41): I thank Senator Muir for his question and for his notice. I start by pointing to Prime Minister Turnbull's statement yesterday evening that the culture of our leadership is going to be one that is thoroughly consultative—a traditional cabinet government that ensures we make decisions in a collaborative manner. Prime Minister Turnbull has had many conversations with media businesses across all sectors of the industry, including the free-to-air and subscription television sectors, throughout 2014 and 2015 to take soundings on their views on areas for potential reform. It remains appropriate and sensible for the government to consider potential reforms to the existing ownership rules in this environment. However, we will continue the conversation with industry on these issues. The minister is committed to ensuring that any proposed media reforms are supported across the
sector. Unlike the Labor Party, where former minister Conroy gave the parliament barely a week to review complex measures which amounted to a huge and unprecedented expansion of intrusive government control over news media, the coalition will continue to consult in a calm and methodical manner with senior executives across the industry. The government will continue to consult with the community and consider proposals accordingly.

Senator MUIR (Victoria) (14:42): Recent media reports and my own investigations reveal that there is cross-party support for media reforms that would deliver a fair go for regional broadcasters, which are essentially being run into the ground because of regulation that unfairly advantages big city stations. Can the minister inform the chamber what steps the government is taking to ensure that these reforms are urgently addressed, given the broad base of support that exists for the changes?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (14:43): As stated, the government will continue to consider potential media reforms as part of its ongoing deregulation agenda. The government appreciates the importance of local commercial television broadcasters in regional and remote Australia, including the role they play in providing local news and current affairs. The deregulation road map for the portfolio was released by Mr Turnbull and the parliamentary secretary in May 2014. The road map indicates that the government will consider reforms to the regulation of media ownership and control through 2014 and 2015, among other potential deregulatory reform measures. The government is committed to maintaining these arrangements to ensure that local news and information in regional Australia remain available to audiences.

Senator MUIR (Victoria) (14:44): Noting that there is a consensus among the regional broadcasters—WIN, Prime, Southern Cross Austereo and Imparja—as evidenced by their recent Save Our Voices campaign, why is the government holding back these urgently needed reforms, and what will it take for the government to listen to the concerns of regional Australia and remove outdated media ownership legislation?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (14:44): The government appreciates the importance of local commercial broadcasters in regional and remote Australia, including the role they play in providing local news and current affairs. The Save Our Voices campaign reflects the concerns of regional commercial TV broadcasters that the existing media control rules are hampering their efforts of competing effectively in the media marketplace.

It is important to note that, irrespective of any changes to the media control and ownership rules, local content on regional commercial television and radio will be preserved through existing licence conditions on regional commercial TV and radio licensees. These conditions require commercial television licensees in major regional television licence areas and commercial radio licensees in most regional radio licence areas to broadcast minimum levels of local content. The government is committed to maintaining these arrangements to ensure that local news and information in regional Australia remains available to audiences.
Turnbull Government

Senator GALLAGHER (Australian Capital Territory) (14:45): My question is to the minister representing the Prime Minister, Senator Abetz. Does the Prime Minister stand by his statement that he:

… will not lead a party that is not as committed to effective action on climate change as I am.

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:46): Given that the Prime Minister now leads the government, it stands to reason that he leads a government that is as committed as he is to the issue of climate change.

Senator GALLAGHER (Australian Capital Territory) (14:46): Mr President, I ask a supplementary question. As a marriage equality supporter, will the Prime Minister continue to support the previous Prime Minister's decision to delay a parliamentary vote until after the next election?

Senator Ian Macdonald interjecting—

The PRESIDENT: Order! I do not need any assistance, Senator Macdonald. Senator Gallagher, that was not directly relevant or supplementary to the primary question. But I will allow the minister, if he wishes, to answer any part of that.

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:47): As you have quite rightly indicated, it is absolutely not a supplementary question. Regrettably, the senator has been fed a grab bag of things to throw across the chamber without analysing them carefully. I say to the former Chief Minister of the ACT: you do not have to ask these questions that are served up to you by the likes of Senator Conroy. In relation to the specific issue, the government's position remains as announced.

Senator GALLAGHER (Australian Capital Territory) (14:47): Mr President, I ask a further supplementary question. As a republican, will the Prime Minister retain the previous Prime Minister's support for a constitutional monarchy, and will he be retaining knights and dames?

The PRESIDENT: Again, Senator Gallagher, that does not fit as a supplementary question. However, I will invite the minister, if he wishes, to answer that question.

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:48): As the Australian people well know, the former Prime Minister is a staunch monarchist. I think the Australian people know that the new Prime Minister is a staunch republican. We in the Liberal Party allow sufficient latitude to house both views.

On the former question from the honourable senator, I also indicate that we will not be denying conscience votes to our colleagues after 2016 or 2019, when the Labor Party is going to turn off the tap on conscience votes. It is the Labor Party that will be denying their colleagues a free vote. (Time expired)

Trade with China

Senator SINODINOS (New South Wales) (14:49): My question is to the Minister for Veterans' Affairs representing the Minister for Industry and Science, Senator Ronaldson. Will
the minister outline to the Senate how the China-Australia Free Trade Agreement will help foster continued job creation, investment and growth in the Australian resources sector?

Senator Jacinta Collins interjecting—

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:50): Senator Collins, I will take that interjection. I was actually in PNG with a group of men aged 90-plus commemorating 70 years of the end of the Second World War. If you think that is amusing, then that is a poor reflection on you.

Senator Jacinta Collins: Mr President, on a point of order: I made no interjection.

The PRESIDENT: That is a debating point.

Senator Carol Brown interjecting—

Senator RONALDSON: I might ask Senator Brown what comment she made later on. I thank Senator Sinodinos for the question. Under the China-Australia Free Trade Agreement our resources will be entirely duty-free. Reducing the tariffs on minerals and eliminating the tariffs on the coal sector will increase Australia's mineral exports by about $600 million per annum. This is a better deal than was done with New Zealand. New Zealand exports increased fivefold over the last five years after the agreement was done.

This agreement does not involve changing any workplace relations laws. It does not involve changing any migration laws. It will not involve reducing existing labour market testing and labour market protection. Every way you look at it, this is a great deal for this country and a great deal for Australian workers. That is why Bob Hawke, Bob Carr and Simon Crean and a number of the Labor premiers have come out to support it. Sally McPherson, who runs an earthmoving plant and equipment supplier, has said:

The China deal will make mining more competitive and that will be good for jobs in Australian businesses like ours … anything that gives our mining companies a better chance to compete abroad—

(Time expired)

Senator SINODINOS (New South Wales) (14:52): Mr President, I ask a supplementary question. Will the minister explain to the Senate why this historic free trade agreement is a good deal for Australians, particularly those living in our regions, including in my home state of New South Wales?

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:52): I again thank Senator Sinodinos for that excellent question. Under this Australia-China free trade agreement, 95 per cent of our exports to China—that is, our wine, with tariffs which are up to 30 per cent at the moment; our beef, with tariffs of up to 25 per cent; our seafood, 15 per cent; our dairy, with tariffs of 20 per cent; our lamb; our cheese; our services; as well as our resources sector—will be entirely duty free. As Senator Sinodinos knows, those in the regions need stable, full-time, highly paid, long-term jobs. This agreement is great for the regions. For them to vote against ChAFTA means that they are voting against the regions. Those who vote against ChAFTA are voting against those workers in the regions and those workers that we want in the regions. If you look at what the benefits are, you need to go no further than the $760 million Whitehaven Coal project. (Time expired)
Senator SINODINOS (New South Wales) (14:53): Mr President, I ask a second supplementary question. Would the minister outline to the Senate whether there are any direct impediments to the implementation of this historic free trade agreement?

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:54): I think that all Australians know that the greatest impediments are those sitting opposite and Mr Bill Shorten, the Leader of the Opposition. They have a choice to make: do they back the CFMEU or do they stand for jobs? Do they back the thugs or do they back workers? That is the question that those opposite have to make up their mind about. If Mr Shorten is serious, he will stand up to the CFMEU and make sure that this deal is done. As said by the NFF, this is a $300 million a year impediment to the agriculture sector if it does not go through. The coal industry loses $4.6 million per week, and there will be $4 billion lost to the Australian financial services sector alone by 2030, at a cost of 10,000 jobs. So it is about time Mr Shorten stopped pandering to the xenophobic attitude of the CFMEU and supported Australian jobs. (Time expired)

Turnbull Government

Senator KIM CARR (Victoria) (14:55): My question is to the Minister representing the Prime Minister. I refer to the coalition government's cuts to health, education, pensions, the ABC and SBS in its first budget. Does the Prime Minister stand by his statement that he supports:

… unreservedly and wholeheartedly every element in the Budget. Every single one.

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:56): I indicate to the honourable senator that Australian pensioners have not received a cut to their pension. In fact, they have received an increase every March and September during the term of this government, completely in line with what has been in place. So for Senator Carr to assert that Australian pensioners have had cuts is simply false, especially when you take into account that we removed the carbon tax and nevertheless retained all the compensation for pensioners for the carbon tax. So not only did they get their twice yearly increases; they also got the compensation for the carbon tax in circumstances where we removed the carbon tax.

So here you have yet again another snapshot of Senator Carr misrepresenting to the Australian people that which is the actual fact. Indeed, the budget papers would tell the honourable senator, if he had the capacity to read them, that there was in fact an increase for hospitals and for schools. These matters are all there for Senator Carr to read and honestly tell the Australian people. But, having left such a legacy of debt and deficit and so anxious to cover it up, the Australian Labor Party have embarked on a campaign of misinformation. So gross is their campaign of misinformation that they even vote against their own savings measures in this place. So they go to the Australian people and promise $5 billion worth of savings, and then, when we put up those Labor savings, they vote against them, man and woman, under the leadership of Mr Shorten. (Time expired)

Senator KIM CARR (Victoria) (14:58): Mr President, I ask a supplementary question. Does the Prime Minister support the $100,000 university degrees?
Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:58): What the Prime Minister does support is reform of the tertiary sector. But, yet again, what we have from the Australian Labor Party are the falsehoods and the distortions suggesting that there would be $100,000 university degrees—something which the vice chancellors of this country have deliberately debunked and said to Senator Carr and the Australian Labor Party that those assertions are false. But does having been told they are false stop Senator Carr from repeating the falsehoods? Of course not, because not only do they not have a policy compass, neither do they have a moral compass in relation to how to engage in the public discourse in country. So the Labor Party think that if they peddle falsehood after falsehood somehow the Australian people might just start to believe some of the falsehoods. Our task is to ensure that they do not, and we will continue to expose the lies of the Labor Party. (Time expired)

Senator KIM CARR (Victoria) (14:59): Mr President, I ask a further supplementary question. Does the Prime Minister support the $80 billion of cuts to schools and hospitals?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:59): What a ridiculous question in circumstances where the Australian people know that that which the Australian Labor Party allegedly promised to the Australian people they did so without a single red cent of funding—

Senator Cormann: Nothing in the budget.

Senator ABETZ: Nothing at all in the budget. So who would have presided over such a gross misrepresentation? The failed former finance minister Senator Wong, who takes her instructions on a daily basis from her former employer, the CFMEU. So, like the CFMEU, which has no moral compass and is willing to misrepresent everything in relation to trade union corruption, so similarly the Australian Labor Party is willing to misrepresent the budget task that was bequeathed to us—namely, to remove the millstone of deficit and debt that was bequeathed to the next generation. The Prime Minister is committed to fixing the malaise of the— (Time expired)

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

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Answers to Questions

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

That the Senate take note of the answers given by the Minister for Employment (Senator Abetz) and the Minister for Finance (Senator Cormann) to questions without notice asked by Opposition senators today.

There is an old saying, but a true saying when it comes to the coalition: the more things change, the more they stay the same. We have had exactly the same rhetoric, the same spin, the same nonsense paraded before this Senate today that we have had for the last two years of dysfunctional, incompetent government from the coalition. Changing the leader made no change. The same rhetoric, the same three-word slogans that the new Prime Minister, Mr Turnbull, was saying would disappear all got a run again today in question time. This is a government that is an absolute rabble. This is a government that has got no concept and no understanding of the economic necessities of this country. This is a government that had an
opportunity to stand up and say what it would do to move this economy and this society forward, and what did we get? We got the same old spin—same old, same old from the same old tired, incompetent, dysfunctional government that parades around as a so-called government in this country.

We know they are split up the middle. There is another old saying: if you cannot govern yourself, you cannot govern the country. This lot cannot govern themselves—absolutely no chance. You saw the vote last night, tipping out Prime Minister Abbott, who was the great hero of the coalition, the great hero that brought them to government. It was only last week they were standing up there, one after the other, defending the then Prime Minister, Tony Abbott, and running the same three-word slogans that the former Prime Minister ran every day. They cannot change it. It is in the DNA of this government to attack pensioners, to attack those on welfare, to attack working people in this country—that is what the DNA of this lot is.

They have got no understanding of how ordinary families battle every day to put food on their tables, buy their kids' schoolbooks, buy their kids their school uniforms. This is because predominantly they think about privilege when they think about this society. They think about the big end of town. They think about how they are going to cuddle up to Rupert Murdoch in this country, and they have now got a leader who actually comes from that end of town, who is a rich individual with absolutely no idea what it is like to battle in this country. Why else would he have supported every attack on working people in this country that was in that first budget? Why would he support attacking pensioners, attacking the youth of this country who are battling to get a job? Why did he say that he back every aspect of what was the worst budget this country has ever seen? What he says—I do not often agree with Malcolm Turnbull, but he did say that the government had not been successful in providing the economic leadership that we need. You do not provide economic leadership by attacking the poorest and most vulnerable people in the country. Malcolm Turnbull is backing—sorry, the Prime Minister is backing that in, and that is what he is going to continue to do.

We had Senator Cormann here, in the same robotic splurge of argument that we get every day, trying to defend this position, but Senator Cormann, according to the Prime Minister, was a failure in his position, an absolute failure. The best we can do for this country is get rid of this government, not change the leader. (Time expired)

Senator SMITH (Western Australia) (15:06): We may have had a change in the prime ministership of our country, but we clearly have not had a change in the shallowness, the short-sightedness of Labor senators here. I might just add, Senator Cameron, that I think there was only one person who lost sleep last night in this country, and that was Bill Shorten. That would have been Bill Shorten, because even though the coalition may have had a change of leader, we did not have a change of ambition. Our ambition is to make sure that the Australian Labor Party stays out of government.

It is a bit disappointing that Senator Cameron could not even find the good grace to reflect positively on what were some significant achievements of the coalition government under the stewardship of Tony Abbott. In my contribution this afternoon I might just reflect on what Mr John Howard had to say about Mr Abbott's contribution towards stewarding this nation for two years in difficult times. One of the most notable achievements of Mr Abbott in his period of prime ministership was the way that he dealt convincingly with the issue of border
protection. I think it is just worth reminding this chamber and Labor senators what it was that Mr Abbott inherited when he became Prime Minister.

We know that under the previous government 50,000 — it is easy to forget the magnitude of the number — asylum seekers arrived on over 800 boats. Policies under the previous Labor government led to 1,100 deaths — not injuries but deaths — and what we saw were a thousand children in detention centres, and John Howard is absolutely right when he reflected on that this afternoon. For all his great stewardship of this country over 11 years, John Howard's concession was that even he had not thought it would be possible to correct that — and, of course, Mr Abbott did. Mr Abbott and the coalition government did that, and Mr Howard went on to say that, in his mind, that was one of the most outstanding achievements of the Abbott led government over the previous two years.

It is true that these are interesting times politically. It is absolutely correct that the electorate has an increasing expectation of parliamentarians, an increasing expectation of the governments it elects. But it is also beholden on each of us to reflect on what some of those other achievements are. I am disappointed in Senator Cameron — and it will be interesting to hear the contributions of other Labor senators this afternoon — not even having the good grace to reflect on what were remarkable achievements that are recognised in the community as being important and sizeable achievements and achievements that have reflected the priorities of ordinary Australian voters and families over the last two years. Those achievements include the abolition of the mining tax, a tax which hit particularly hard in my home state of Western Australia, the abolition of the carbon tax, which has ordinary households an average of about $550 better off because that it has gone. So there has been the abolition of the carbon tax, the abolition of the mining tax, the protection of Australia's borders and — importantly, of course — reducing that significant loss at sea. Then there are the 335,000 new jobs — jobs for ordinary Australians that were created under the tenure of Mr Abbott.

The challenge is actually not on the coalition today. The challenge is on the Australian Labor Party and its senators in this place to think about how they will change. How will they change to make sure that Australia and this parliament get the best possible benefit they can from the new leadership that will be shown by Mr Turnbull. These are important but challenging times for our country, with an ageing population and the increasing industrialisation and development of our Asian neighbours. The world is becoming more competitive and we cannot afford to rest. We must stay vigilant, and I am confident that under the leadership of the new Prime Minister, Mr Turnbull, this country will go from strength to strength. (Time expired)

Senator GALLAGHER (Australian Capital Territory) (15:11): I rise to take note of questions asked by the opposition today, and I will start my comments where Senator Smith finished his. I must say it is a fair stretch, given the last 24 hours, to stand with a straight face and argue that it is the Labor Party that should change — that the Labor Party should change what it is doing in response to the tearing down of a Prime Minister that we just saw played out in real-time on TV over the last 20 or so hours.

Senator Ian Macdonald: You should have been around six years ago. It happened twice.

The DEPUTY PRESIDENT: Order!
Senator GALLAGHER: The Prime Minister started the assault on Tony Abbott yesterday with a very clear attack on the economic leadership of the government as it was. In fact, I think his own language was:

It is clear enough that the Government is not successful in providing the economic leadership that we need.

He went on to say:

We need a style of leadership that explains those challenges and opportunities, explains the challenges and how to seize the opportunities.

This was a clear attack on the economic team of the government, which includes Senator Cormann and the Treasurer, Joe Hockey, in that they had failed to sell the message. But when you look at the message they were trying to sell, anyone would have difficulty with it. Unemployment has increased from 5.7 per cent to 6.3 per cent. For the first time in 20 years over 800,000 Australian are out of work. Confidence is at an all-time low. New taxes and charges are being implemented and people are paying more. The deficit has doubled in the last 12 months. So, not that I stand here in defence of Mr Hockey or Minister Cormann, but it is a pretty tough message to sell because the results of the economic leadership, if you could call it that, have not been great.

But now we have open warfare within the Liberal Party. We have got division and disunity and we saw it on show in question time today with senators slumped in their seats, still looking a bit shell-shocked over what has happened in the last 24 hours. Senator Abetz was doing a good audition to maintain his position as leader in the Senate by holding the team together during these very difficult times. But what we do know is that whilst you can change a leader pretty easily—as it seems—it is a much harder process to deal with the disunity and division that is on show.

Anyone who knows how numbers fall will know that 55-44 is not a ringing endorsement of either Tony Abbott or Malcolm Turnbull. It really sets a challenge ahead for the new Prime Minister as to how he is going to manage what is a deeply divided and dysfunctional team. It will be very difficult for a Liberal like Prime Minister Turnbull, who has made very clear statements in relation to big issues facing this country like climate change; like the republic, an issue close to my heart; and like marriage equality, an issue close to my heart. They are things he has made very clear statements about, and people will expect him to deliver on those statements; but how can he when he is in charge of a very split team with a lot of conservatives within it who will be very unhappy with any progress made in any of those areas.

We know that the budgets that led to the problems facing the Treasurer, Joe Hockey, and the previous Prime Minister, Tony Abbott—the cuts, the unfairness of those budgets, the attacks on families, the attacks on workers, the attacks on state and territory run services like health and education—were all decisions taken around the cabinet table. As much as people would like to distance themselves from those decisions now that they have proven to be as unpopular as they are, we know—and I certainly know from putting budgets together—that to finalise a budget you need the agreement of the cabinet, and Prime Minister Turnbull was sitting at that cabinet table. He was not only sitting there but also agreeing to the budget and then going out and implementing it. No matter how hard he tries now—you can change the
leader but changing the direction of the government is going to be a much harder job. *(Time expired)*

**Senator IAN MACDONALD** (Queensland) (15:16): The motion before the chamber is that the Senate take note of the answers given to questions asked by members of the Australian Labor Party. That is very difficult to do, because all of the questions were so juvenile, irrelevant and lacking any policy content that it makes it hard to debate on the questions asked.

This is from a party riven by factional enmities and full of, to quote Senator Cameron, lobotomised 'zombies', controlled and answerable to no-one except the criminals who are part of unions like the Health Services Union and the CFMEU. That is who the Australian Labor Party are directed by and answerable to. The CFMEU—thank heavens for the royal commission into trade unions—we know comprises many people who could not be described as anything but criminals. They are represented in this chamber by none other than the Leader of the Opposition in the Senate, Senator Wong, a former employee of the CFMEU and a person who proved herself to be the worst environment minister we have had for many years, the worst finance minister we have had for many years and now the worst shadow trade minister that the country has ever seen.

This government is the same government that was elected on 13 September 2013 with a number of policies which we have implemented and continue to implement—policies like border protection and stopping people drowning at sea, abolition of the carbon tax, and creation of new jobs. In August alone, 17,000 new jobs were created by this government. The union royal commission has been set up as promised. Again, this government is proceeding with its policy, which it promised before the last election, to retain the definition of marriage for the term of this election and to provide that we will go to the Australian people for a decision on that in the next term of parliament. Those policies stand. That is what we were elected to do and we will continue to do. The new leader, Mr Turnbull, confirmed that last night.

With the Liberal and National parties Australians know what they are getting. They know that when our parties go to the election and promise certain things we will do them, no matter how hard the Labor Party and their allies in the Greens political party will try to put forward some other proposals. We are not like the Labor Party. We do not go to an election promising that there will be no carbon tax and then immediately following the election bring in exactly that. We will continue on the policy we took to the last election, and that will play out in Paris this year. This is a government which keeps its promises. This is a government which has set a path and which will continue on that path. Although the leadership has changed, the policies of the parties remain and the new leader has made that very clear.

By contrast, you have a group of people opposite run by the trade union movement. As I often say here, if the trade union movement were anywhere representative of Australia, it might give the Australian Labor Party some credibility. But I emphasise that, according to Bureau of Statistics figures, the union movement represent 12 per cent of workers in the private sector—that is, 88 per cent of all workers in the private sector choose not to join the union. The way the unions carry on, and the way their representatives in this chamber carry on, you can well understand why most hardworking Australian workers choose not to join a
union. It is because they see the unions for the criminals and thugs that the royal commission has exposed them as and for the rabble that you see in this chamber opposite. *(Time expired)*

**Senator KETTER** (Queensland) (15:21): In commencing my contribution, I take up a point made by Senator Smith when he called upon the opposition to express some gracious response to the changes in leadership that have occurred overnight. From my own perspective, I commiserate with Mr Abbott over the way he has been treated overnight and I wish him the best in his future endeavours. I also congratulate Mr Turnbull on his election to the leadership of the Liberal Party. For the sake of the people of Australia, I hope that he is able to discharge the duties that he has now been entrusted with. It is incumbent on us to say, however, that whilst we might reflect personally on Mr Abbott's demise, one certainly cannot consider his period in office as Prime Minister as anything other than a disaster for our country. I certainly believe that there has been a lot of economic vandalism perpetrated in that period of time.

With Mr Abbott's statement this morning—I will come to Senator Abetz's responses to my question in due course—I think it is important to note that he spoke about the white-anting that had occurred during his period of leadership, about the febrile media culture that rewarded treachery and about conniving and dishonour. He also made reference to 'the assassin's knife'. So this government has clearly now gone from exhibiting chaos and dysfunction down to a new level of division and chaos which I think does not bode well for our country.

Today I asked Senator Abetz whether the Prime Minister agreed with the coalition's Direct Action Plan or whether it was an 'environmental fig leaf', to use Mr Turnbull's terms, and 'a recipe for fiscal recklessness on a grand scale.' In his response, Senator Abetz confirmed that the Prime Minister will be supporting the plan which the government is taking to Paris. I think that confirms that Mr Turnbull is a person who will say anything and do anything in order to obtain political power. I think it is important that the Australian people look at Mr Turnbull's public statements, given he aspires to the top job in the land, in respect of this issue of climate change. He has previously said that he would not lead a party that was not as committed to action on climate change as he is. This is a Liberal politician who has previously expressed in writing, in December 2009, some home truths about the farce that the coalition's policy, or lack of policy, on climate change had descended into. He acknowledged that one cannot cut emissions without a cost. He said:

-To replace dirty coal fired power stations with cleaner gas fired ones, or renewables like wind let alone nuclear power or even coal fired power with carbon capture and storage is all going to cost money.
-To get farmers to change the way they manage their land, or plant trees and vegetation all costs money. Somebody has to pay.

So any suggestion that you can dramatically cut emissions without any cost is, to use a favourite term of Mr Abbott—

I do not want to quote the specific term that Mr Turnbull used, because I fear it is unparliamentary, but he certainly described Mr Abbott's position on this matter in fairly explicit terms.
So we have a Prime Minister who, regrettably, is a person who cannot be taken on his record. He is a person who will say anything and do anything in order to obtain high political office. It should not be forgotten that Mr Turnbull sat around the cabinet table that delivered the toxic first budget of this government. (Time expired)

Question agreed to.

PETITIONS

The Clerk: Petitions have been lodged for presentation as follows:

Australian Flag
To the Honourable the President and Members of the Senate in Parliament assembled:
The petition of the undersigned shows:
We believe that the current flag has served Australia well and will continue to do so in the future and represents a true manifestation of the Nation's history.
Your petitioners request that the Senate:
Oppose any change in the design or colour of the AUSTRALIAN NATIONAL FLAG.
by Senator Ronaldson (from 5 citizens).

Marriage
To the Honourable the President and Members of the Senate in Parliament assembled:
This petition of certain citizens of Australia draws to the attention of the Senate:
Marriage is the union of one man and one woman, voluntarily entered for life.
It is an institution vital to the well being of all society. In particular it confirms the importance of motherhood and fatherhood and seeks to protect children's biological identity.
It has a meaning that we hold deeply for its cultural, religious and social significance.
We therefore ask the Senate not to redefine marriage to admit relationships to which it does not naturally or historically apply.
by Senator Back (from 100 citizens).

Marriage
To the Honourable the President and Members of the Senate in Parliament assembled:
This petition of certain citizens of Australia draws to the attention of the Senate:
Marriage is the union of one man and one woman, voluntarily entered for life.
It is an institution vital to the well being of all society. In particular it confirms the importance of motherhood and fatherhood and seeks to protect children's biological identity.
It has a meaning that we hold deeply for its cultural, religious and social significance.
We therefore ask the Senate not to redefine marriage to admit relationships to which it does not naturally or historically apply.
by Senator Bernardi (from 10 citizens).
Petitions received.
NOTICES

Presentation

Senator Rhiannon to move:
That the Senate—
(a) notes that:
   (i) the green bans movement led by the New South Wales Builders Labourers’ Federation, the forerunner of the Construction, Forestry, Mining and Energy Union (CFMEU), saved key heritage precincts in Sydney, including the Rocks and Victoria Street at Kings Cross,
   (ii) the CFMEU New South Wales Branch has placed a ‘green ban’ on the iconic Parramatta Female Factory Precinct,
   (iii) the Hobart Female Factory gained World Heritage status despite the fact that it is not as extensive, well-preserved, significant or as old as the Parramatta Female Factory Precinct, and
   (iv) the proposed 30 storey, 3,900 unit development at North Parramatta would negatively impact the heritage listing of the Parramatta Female Factory Precinct; and
(b) calls on the Minister for the Environment to:
   (i) acknowledge the national and world heritage value of this site, and
   (ii) urgently approve the Precinct’s National Heritage Listing.

Senator Siewert to move:
That the Senate—
(a) notes:
   (i) the release of the University of Melbourne and Price Waterhouse Coopers report, The value of Indigenous sight: An economic analysis, and
   (ii) that currently for every $1 invested in eye care the return is $0.90, however, if the recommendations in the report The Roadmap to Close the Gap for Vision are implemented it is anticipated that there will be a return of $2.50 for every additional $1 spent; therefore the elimination of unnecessary vision loss for Indigenous Australians will generate an estimated return of $1.60 for every $1 spent on eye care;
(b) acknowledges that:
   (i) 94 per cent of the vision loss experienced by Indigenous Australians is preventable or treatable, and
   (ii) if Australia implements the ‘roadmap’, in addition to the provision of current eye care services and programs, it will be able to restore sight or avoid future vision loss for 34,000 Indigenous Australians, closing the gap for Indigenous eye health; and
(c) urges the Federal Government to:
   (i) review the report and provide national leadership on eye health, and
   (ii) address the gap between Aboriginal and non-Aboriginal eye health as a matter of priority.

Postponement

The following items of business were postponed:
Business of the Senate notice of motion no. 1 standing in the name of Senator Rice for today, proposing a reference to the Education and Employment References Committee, postponed till 13 October 2015.
General business notice of motion no. 854 standing in the name of Senator Muir for 16 September 2015, relating to the theft and export of Australian motor vehicles, postponed till 14 October 2015.

General business notice of motion no. 858 standing in the name of Senator Canavan for today, relating to mining exports, postponed till 16 September 2015.

**COMMITTEES**

**Reporting Date**

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

- Community Affairs References Committee—availability of cancer drugs in Australia—extended from 15 September to 17 September 2015.
- Economics References Committee—non-conforming building products—extended from 12 October to 3 December 2015.
- insolvency in the Australian construction industry—extended from 11 November to 3 December 2015.
- Rural and Regional Affairs and Transport References Committee—aspects of road safety in Australia—extended from 26 November 2015 to Wednesday of the first sitting week in March 2016.

The PRESIDENT (15:28): With that long list, does anyone wish to put the question to any of those motions? There being none, we will move on.

**MOTIONS**

**Sport: Matildas**

Senator DI NATALE (Victoria—Leader of the Australian Greens) (15:30): I, and also on behalf of Senator McEwen and Senator McLucas, move:

That the Senate

(a) notes the extraordinary achievements of the Australian Matildas while playing and training under inappropriate work conditions for a world-class sports team;
(b) applauds the Matildas efforts as leaders and role models for young women and all footballers across Australia;
(c) raises concern that, despite this best ever performance by an Australian football team in reaching the quarter finals at a World Cup, they are paid 1/15th of the men’s team, as part-time employees with a full-time commitment, and at a rate below the minimum wage; and
(d) supports strong and fair working conditions for all female Australian athletes.

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (15:30): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator CASH: Let me be absolutely clear, there is a pay gap that exists between women and men in Australia and it is unacceptable. We acknowledge the huge pay difference between male and female sports people that currently exists. It profoundly affects a woman’s life in many different ways, including her long-term economic security and it makes her more vulnerable to poverty and homelessness later in life. It is also reflected in the gender disparity in superannuation, with women retiring with only 65 per cent of the superannuation that men retire on. This means that a woman has to work 15 more years than a man to retire with the
same income as a man. Things need to change. The national women's soccer team, the Matildas, have been a sporting institution since 1978 and have represented Australia with class, integrity and professionalism. The Matildas, along with the Diamonds, the Opals and the Southern Stars, for example, are brilliant role models for our girls and they are leaders in our communities.

In relation to the notice of motion, whilst we do support its intent, we must remember that individual employment arrangements are matters for employers and their employees. Any allegations of illegal work practices should be referred to the Fair Work Ombudsman.

Question agreed to.

**DOCUMENTS**

Department of Infrastructure and Regional Development

Order for the Production of Documents

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (15:32): I move:

That there be laid on the table by the Minister representing the Minister for Infrastructure and Regional Development Senator Cash, by no later than noon on Thursday, 17 September 2015, the following documents:

(a) all briefing or background material; and
(b) all correspondence (including emails),

between the Department of Infrastructure and Regional Development to the Deputy Prime Minister and/or his office relating to claims made to a Senate inquiry by Mr Bill Milby of North Star Cruises relating to meetings with officials from the Department of Infrastructure and Regional Development on 20 May and 16 June 2015.

Question agreed to.

**MOTIONS**

Infrastructure

Senator RHIANNON (New South Wales) (15:32): I move:

That the Senate—

(a) notes that:

(i) a New South Wales parliamentary inquiry has recommended that rail services and infrastructure that have been removed from the Newcastle heavy rail line be immediately reinstated, and

(ii) the rail line closure would be a public transport disaster for the Hunter region and for New South Wales, with patronage significantly lower since services were stopped at Hamilton in 2014; and

(b) calls on:

(i) the Federal Government to commit to funding public transport infrastructure in New South Wales, and

(ii) the New South Wales Government to reverse its decision to truncate the heavy rail line into Newcastle.

Question agreed to.
Domestic Violence

Senator MOORE (Queensland) (15:33): I, and also on behalf of Senator Lazarus, move:

That the Senate—

(a) notes that:

(i) the continuing number of domestic violence attacks against women remains unacceptably high, and expresses great sadness at the spate of fatal domestic violence attacks on women in Queensland over the past week, and

(ii) on average, one woman loses her life as a result of intimate partner violence each week in Australia;

(b) re-affirms that domestic violence against women has no place in Australia;

(c) welcomes the Queensland State Government’s announcement that it will establish an ‘Implementation Council for domestic violence reforms’, to be chaired by Dame Quentin Bryce AD CVO, to enhance the ability of Queensland police officers to offer support and respond to complaints of domestic violence to ensure that women affected by domestic violence receive priority assistance;

(d) acknowledges that the Council of Australian Governments agreed to take urgent collective action in April 2015 to reduce the amount of violence perpetrated against women, after having endorsed the 2011 National Plan to Reduce Violence against Women and their Children 2010–2022;

(e) urges the Government and state and territory governments to prioritise the issue of domestic violence and act urgently to investigate and implement strategies to support and protect women from the scourge of domestic violence; and

(f) calls on the Government and state and territory governments to urgently work together to:

(i) investigate the establishment of a national domestic violence register to enable the national management and monitoring of domestic violence offenders across all state and territory borders,

(ii) increase criminal penalties for offences committed by perpetrators of domestic violence, including the breach of domestic violence orders by perpetrators of domestic violence, and

(iii) support the concept of a national domestic violence against women summit to bring all governments, stakeholders and support organisations together to develop and implement effective strategies and programs to increase support for women, raise awareness of domestic violence, and eliminate the occurrence of domestic violence against women.

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (15:33): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator CASH: It is the government's clear position that women and children in Australia should be safe at home, safe on the streets and safe online. I believe everybody in this place can agree that domestic and family violence does not have a place in Australia. After the events in Queensland last week and knowing that there are incidents of violence against women and their children that go unreported, enough is enough. The government has been showing unprecedented leadership on this issue. Addressing domestic and family violence is a national priority and that is why we have elevated the issue to the Council of Australian Governments for discussion in 2015. As a part of this important agenda, COAG have agreed to implement a national domestic violence order scheme and national perpetrator standards, and to address technology-facilitated abuse. State and territories are key in delivering outcomes as is appropriate. The Queensland government, for example, have announced that...
they are looking to increase penalties for breaking domestic violence orders. As part of the
evaluation of the second action plan and the development of the third action plan under the
National Plan to Reduce Violence against Women and their children, we will be conducting
wide-ranging consultations to inform our way forward as a nation.

Question agreed to.

**Competition Policy**

**Senator WHISH-WILSON** (Tasmania) (15:34): I move:

That the Senate—

(a) notes that:

(i) the Harper Review into competition policy called for the introduction of an effects test in relation
to the misuse of market power,

(ii) supporters for the introduction of an effects test include the National Farmers’ Federation, and
the newly-formed Independent Business Alliance for Competition made up of the Council of Small
Business Australia, the Australian Retailers Association, Fresh Markets Australia, the Australian
Newsagents’ Federation, the Australasian Convenience and Petroleum Marketers Association and the
Master Grocers Association, and

(iii) the National Party unanimously passed a motion at its National Conference calling for the
introduction of an effects test; and

(b) calls on the Government to bring forward legislation that amends Section 46 of the *Competition and
Consumer Act 2010* to introduce an effects test so as to better protect farmers and small business owners
from anti-competitive conduct.

I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

**Senator WHISH-WILSON:** The government's own Harper review recommended an
effects test. This effects test is a change to legislation that will help make a more level playing
field in terms of competition policy in this country. It is about standing up for small
businesses and farmers against potential abuses of market power by big business. This has
long been sought after by a number of stakeholders across this country. I note that Minister
Barnaby Joyce said to the media yesterday in relation to the change of prime ministers that he
wanted the National Party to be taken seriously by the Liberal government. This is an
opportunity for the National Party to be taken seriously and to stand up for what they believe
in, in this chamber—cross the floor and vote with the Greens and other parties to support an
effects test.

**Senator FIFIELD** (Victoria—Manager of Government Business in the Senate and
Assistant Minister for Social Services) (15:35): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

**Senator FIFIELD:** The Harper review has considered the operation of the misuse of
market power provisions as part of a broader examination of the competition framework and
put forward the possible changes. The government is carefully considering its response to the
competition policy review undertaken by Professor Harper. Among its 56 recommendations,
the review made a strong case for amending the current misuse of market power provisions so
that it aimed at a corporation with substantial market power from engaging in conduct that
substantially lessens competition. The review found that Australia's current misuse of market
power provisions had proven unworkable in practice. According to the review, without an effective misuse of market power provision, large powerful companies can undertake particular activities to the detriment of consumers. Harper's proposed reframing of section 46 seeks to address this. A formal government response is expected to be released in the last quarter of this year.


The PRESIDENT: Leave is granted for one minute.

Senator CANAVAN: I will support this motion because, as Senator Whish-Wilson said, it was something that was passed at the National Party conference on the weekend. Competition law is a very important part of our laws, because it allows and makes sure that small businesses have the opportunities to compete and threaten big businesses. Without an effective competition law, big businesses will not be threatened but will be a protected species, and that will not be good for our market economy. The National Party has a strong and proud history of standing up for small business.

We were proud to support the government's root and branch review of the competition policy legislation and, as Senator Whish-Wilson has outlined, one outcome was a suggestion to reform and change section 46 of the act. While there are some issues around those changes, in broad terms the National Party does support these changes and we are happy to vote with Senator Whish-Wilson on this motion.

The PRESIDENT: The question is that the motion moved by Senator Whish-Wilson be agreed to.

The Senate divided. [15:42]

(The President—Senator Parry)

Ayes .................... 16
Noes .................... 33
Majority ............... 17

AYES
Canavan, MJ
Hanson-Young, SC
Ludlam, S
McKenzie, B
Muir, R
Rice, J
Waters, LJ
Williams, JR

Noes .....................

Di Natale, R
Lambie, J
Madigan, JJ
McKim, NJ
Rhiannon, L
Siewert, R (teller)
Whish-Wilson, PS
Xenophon, N

NOES
Back, CJ
Bilby, CL
Bullock, JW
Bushby, DC
Cameron, DN
Collins, JMA
Dastyari, S
Day, RJ
Edwards, S
Fawcett, DJ
Fifield, MP
Gallacher, AM
Gallagher, KR
Ketter, CR

CHAMBER
MATTERS OF PUBLIC IMPORTANCE
Economy

The PRESIDENT (15:44): A letter has been received from Senator Moore:

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

The Coalition Government's failure to provide the economic leadership our nation needs.

Is the proposal supported?

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

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

Senator DASTYARI (New South Wales) (15:44): I do think it is worth acknowledging, as other senators have done today, the contribution of the former Prime Minister, Mr Tony Abbott. He is certainly not someone who I have agreed with on many things—or anything, to be honest—but you have to understand and appreciate that there is a very personal element to these kinds of events. Sometimes in politics we forget that we are dealing with real people and real consequences. Again, while he is not someone who, on a policy level, I would necessarily agree with, I do want to acknowledge that there are people in this place who have contributed their lives to public policy. It may not be public policy that we all share and it may not be public policy that we all agree with, but in doing so those people do it in the way that they believe is best and in the national interest.

When we are talking about the economic path, plan and direction of this government, I think we really have a government with no plan for jobs and no plan for growth, and with no business confidence being built. There is no plan for emerging industry. What we have seen is a government that has been relying on slogans over substance and a complete and utter lack of economic leadership.

These are not simply words and language being used by me; this is the description that was used by the now Prime Minister of Australia about the economic performance of those opposite. The former Prime Minister, John Howard, said of Mr Turnbull a few hours ago:
… he has the capacity to explain economic concepts very clearly and very lucidly, and that, as he indicated yesterday, will be a very important part of the skill-set he brings to his new responsibilities.

What is that a demonstration of? It is a demonstration of the fact that this is a government that has failed on the economic front. But they have misunderstood what they have actually failed on. The problem has not just been how the message has been delivered; the problem is the product. The problem is what they are trying to sell. The problem is what they are trying to perpetrate against the Australian population.

What has been the common theme between these two governments—between this Abbott government and this new Turnbull government? It is that those right at the top have not necessarily changed. Sure, there might be one small change between who the Prime Minister is and who is not, but on all the other key economic positions there still has not been a change. And most damaging of all, we still have the same deputy leader driving the same economic policy—the same deputy leader who is now onto her fourth leader. I appreciate that these are difficult things for people to participate in. I appreciate that these are not easy times. And I appreciate that people come to it with different perspectives.

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But this is about their failure in the economy, on how this has been treated and on the role that the deputy leader and foreign minister—and a key member of cabinet—has had in these economic decisions. This morning I said that if the Deputy Leader of the Liberal Party ever ran for the leadership there is a song that I think would be her campaign song. I said it would be Destiny's Child's Survivor—a song I know that you are very familiar with, Mr President. But that sparked some other interest. Some other people put their own views forward. Rob Walter told me that I was wrong, that in fact it would be a song by the group called Survivor—Eye of the Tiger. Robert Gunner told me that in fact it would be MC Hammer's Can't Touch This. Tanya Plibersek, from the other place—the Deputy Leader of the Labor Party—chimed in and told me it would be Gloria Gaynor's, I Will Survive. Jordan Jansen told me it would be the Bee Gees' Stayin' Alive. Teo, who I affectionately refer to as 'Teo from Oz' as it is his Twitter handle, told me it would be Britney Spears', Oops, I Did It Again. But then there was Samantha Ajardi, who brilliantly—and I think she was right on this—said that it would be Bob Marley's I Shot the Sheriff. Let's be clear here:

I shot the sheriff
But I didn't shoot no deputy.

The problem with all of these references is that they are from the seventies, eighties and early nineties. I just do not think they are really relevant to the debate we are having as a nation now. But I will tell you who is relevant: Taylor Swift. And in Taylor Swift's poetic, beautiful and—I think—touching song, Blank Space, which really is a modern soliloquy on the Liberal Party, she says—

Honourable senators interjecting—

Senator DASTYARI: I am quoting a poet here. I notice that other senators are laughing; I just do not think they are treating this with the respect that it deserves:

Magic, madness, heaven, sin
Saw you there and I thought oh my god
Look at that face, you look like my next mistake

... ... ...

New money, suit and tie
I can read you like a magazine
Ain't it funny rumors fly
And I know you heard about me

... ... ...

So it's gonna be forever
Or it's gonna go down in flames
You can tell me when it's over
If the high was worth the pain

What we have here is a government in crisis, a dysfunctional government and a government that has completely fallen apart. What have they done? What is the decision they have made? They are prepared to throw anything or anyone overboard simply to protect their own political hides. They think the problem has been in the delivery of the message, but, frankly, the problem is in the message itself.

I noticed in question time today that Senator Ronaldson had a bit of a Freudian slip. I think he was trying to say that he was really worried about 'xenophobia', but he actually said he was worried about the 'xenophonic' attitudes of the Australian public. That is a new word: it means when there are one or more Nick Xenophons in the same place at the same time. I know that something, certainly at the South Australian level, has really frightened the Liberal Party. But, frankly, this is a government that is in crisis and is out of control. (Time expired)

Senator BACK (Western Australia) (15:51): I thank Senator Moore—she is a gift that just keeps giving. I saw this today:

The Coalition Government’s failure to provide the economic leadership our nation needs.

My first message to Senator Moore, of course, is about the absolute disdain with which Senator Dastyari treated this question. Before he leaves the chamber, if Senator Dastyari wants to talk about deputy leaders and foreign ministers he need go no further than Ms Gillard. One thing all of the leaders of our party know is that the deputy, Ms Bishop, was never there with a knife in her hand—do not worry about shooting sheriffs, it is that knife in the back—with every single solitary leader of this side or the other side looking to see whether the deputy was going to put the knife straight in. It is not the opportunity today to speak about public sector people in New York, but I will speak to Senator Dastyari and I will share with him the information that came to me from senior officials in our mission at the UN, and they will compare the performance of Ms Bishop with that of Messrs Rudd and Bob Carr—you would not have raised that comparison, Senator Dastyari.

I am delighted to speak about the performance of our government because it enables me to start with what the last crowd in government, the Labor Party, did. Of course they had inherited no net debt; they had a $20 billion surplus and they had $45 billion in the bank. There is an old saying in Western Australia: ‘If you want to lose a surplus, vote in a Labor government.’ And do not think that over six years they did not perform. The people of Canning will remember this on Saturday. What did they do with the $20 billion surplus in six
years? They turned it into a $220 billion deficit. What did they do with the no net debt? They
raced it towards $670 billion of debt. People in the gallery need to know that this country is
borrowing $1 billion a month to pay the interest—not to repay the debt. Do colleagues know
how much that is? It is two new primary schools a day. It is a new teaching hospital. The new
teaching hospital in Perth, the children's hospital, is worth two months of interest on the debt.
That is what this mob left us with. When Senator Moore invites me to comment on the failure
of the economic leadership of our government, I say to her, 'Thank you very, very much.'
Even in their last year Labor produced 11 estimates in 2013-14, eight of which they said were
going to produce a surplus. We know the results of that. In government, just by way of
comparison, the coalition's MYEFO estimate in 2014-15 was a $47 billion deficit. The budget
estimate was $49.9 billion. What did it come down at? It came down at $48.5 billion. How
close, how accurate—how excellent is that economic management?

Let me turn to the economic performance of this government. Already in two years the
budget is $68 billion bigger. We have spent $50 billion repairing the budget. Is that economic
failure? In two years there have been 313,000 new jobs, 440 a day, and half of them are for
women. Compare that with the last three years of Labor—not 440 new jobs a day but 44—10
per cent of the coalition's performance. Some economic failure! It gets even better. In the
eight months of this year, there have been 167,000 new jobs. That is 700 new jobs a day,
seven days a week—outperforming the US, the UK, Canada and every other G7 country. Job
advertisements are 16 per cent up from when we took over from Labor; retail sales are nine
per cent higher; exports are 11½ per cent higher. Do I need to keep going on about the
economic failure of the coalition government? I intend to. I intend to bury this issue. Dwelling
starts have increased—and we know what new residential dwellings do. They create jobs in
the construction industry. You would not believe it, would you? Residential dwelling starts
are now 23 per cent higher than when we came into government two years ago—33½
thousand new dwellings. Multiply that by four, and that is the number of people in new
homes—better than the absolute high point under the Labor government. One million
construction workers are benefiting from this, a lot of them in the seat of Canning.
Bankruptcies are at a 20-year low—15 per cent lower. Those opposite do not like this because
they have to sit and listen to it—it is the fact. Investment in the services sector rose by 12 per
cent last financial year, and the story gets even better. Last week Dun and Bradstreet said:
… we're seeing robust levels of optimism against all sectors in the Australian business community.
It is a shame for Labor in opposition to have to suffer this when we inherited what we did
from them. In 2014 a record 223,000 new companies registered. Iron ore exports out Port
Hedland were at a record level last month—34 million times, better than a million times a
day.

What has the Labor Party done to assist us in this whole process? We remember the $5
billion of budget savings that Labor themselves announced prior to the last election that they
were going to bring in with our support. What happened to that when it came into this
chamber? They opposed it—they stood on the hose. That is what we are seeing with the
China-Australia Free Trade Agreement. Gough Whitlam was their great hero, and fortunately
for Gough he lived long enough to find a Prime Minister worse than himself, in Ms Gillard,
but when he went to China, the first opposition leader, he was lauded by the opposition side.
This is an interesting story; Senator Bullock might know it but apparently when Gough met
Mao Tse-tung he was introduced as the Leader of the Opposition and Mao reportedly turned to a translator and said 'What's opposition?'. Whitlam should quite rightly be accorded credit for his work in establishing the relationship with China, and yet we see today in this place and in the other place, with poor leadership from Mr Shorten and Senator Wong, this opposition standing in the way of hundreds of thousands of opportunities. We will lose $600 million if we do not ratify this agreement by the end of this year, and another $600 million three weeks later. This is what the Labor Party is doing.

Senator Moore refers to economic leadership for our nation. Let me go through that topic in a little more detail. This is how the coalition government is delivering more jobs, stronger growth and a better economy in Australia at a time when, around the world, Asia and Europe are absolutely suffering. Yet see what Australia is doing: $5.5 billion in the last budget in the new Growing Jobs and Small Business package, which is already kick-starting economic growth, better outcomes and employment in the engine room of our economy. The Labor Party do not know about the engine room of the economy called small business; they think it is all either government employment or big business, who they can try to dominate. It is small business, where we have that $5.5 billion.

Again, in the small business sector, we see $3.25 billion in tax cuts for small business and $1.75 billion in accelerated depreciation measures, encouraging small business to start up and expand. Do you know what they do when they start up and expand? Senator Ruston knows—they employ people. And if those employees work well they get permanent employment and so the whole thing grows.

The next thing we want to look at is $6.8 billion in jobactive, the new employment services system, helping people get jobs which they will be able to sustain over time. Then we have a record $50 billion for infrastructure. Senator Dastyari was courteous to give some accolades to Mr Abbott. Certainly he will be known as the infrastructure Prime Minister, because he has invested that $50 billion in infrastructure for the 21st century.

I conclude my contribution with the three free trade agreements that Labor could not get anywhere near. Since 2007, when New Zealand negotiated a free trade agreement with China, their trade has gone up by a factor of five. It has quintupled. In that time, ours has doubled. If anybody wants to know the value of the free trade agreement with China to this country's economy, it is two against five. That is where the potential lies. The other side had better get on board.

**Senator WATERS** (Queensland—Co-Deputy Leader of the Australian Greens) (16:01): I rise to speak on the coalition's failure to provide the economic leadership that our nation needs. Certainly there is no greater proof of that than the last two years. On behalf of the Greens, may I say that we are thrilled to see the back of the former Prime Minister. I am personally thrilled to see the back of the nastiness, the small-mindedness, and the lack of vision and long-term planning. The new leadership is an opportunity for the coalition to reset. I hope that we will see some policy change. Australia is crying out for policy change. It would be incredibly depressing if we saw no policy change but just a different talking head. This is a real test for the government and for the new leader.

If there is to be genuine economic progress, clearly the biggest challenge, which the entire globe is facing, is how we tackle climate change. Of course it is an enormous environmental issue. Of course it is an enormous social and justice issue; but it is also an economic issue. It
is the biggest economic issue of our time. There were some encouraging words said by the now Prime Minister yesterday. But then, when he was pressed on whether there would be any policy changes on climate change, I was very disheartened to hear the now Prime Minister say that he endorsed the climate policies of the former Abbott regime. Not only that, his deputy then chimed in and said they endorsed the targets that have been announced to take to Paris.

What a missed opportunity! I urge the government to reconsider. There is a genuine opportunity to create prosperity while we tackle this enormous threat to our very way of life, not to mention the life-support systems and the things that we hold dear. This is an enormous opportunity. The job creation potential in clean energy is so exciting. We saw that under the Renewable Energy Target Scheme, if it had not been slashed—sadly, both the parties ganged up to do that—there would have been $14½ billion of investment in large-scale renewables by 2020. How absolutely exciting. That is the future, and it could have been ours. Instead, we saw the target slashed from 41,000 to 33,000 gigawatt hours. That represented a loss of 6,000 future jobs.

It is very interesting to hear the focus on economic prosperity, because we know that until last night we have heard the lies, frankly, of big fossil fuel companies trotted out in this place like gospel—particularly in Queensland, where I am from. The initial promise by Adani, the Indian coal company, was that they would generate 10,000 jobs from their Carmichael coalmine. Under scrutiny they back-pedalled enormously and said, 'Actually, it is only 1,464—sorry, we got carried away there.' Yet we have still seen members of the frontbench in this place trot out that discredited and incorrect jobs figure.

Opening up coalmines in the Galilee Basin, including that Adani mine, is absolutely the wrong way to go. We should not be tipping $5 billion into a slush fund for fossil fuel infrastructure, which Adani is now seeking to access. We should not be going down that path. If we do not tackle global warming, then we see a real threat to the Great Barrier Reef and to our agricultural sectors. While we are in this economics frame, those two are enormous employers and enormous generators of prosperity. The reef employs more than 60,000 people and brings in more than $6 billion every year to our bottom line. If we look after that beautiful place, which is an absolute paradise and truly magical, we can bring that prosperity and those jobs in every year. That could be a sustainable prospect for us in Queensland and for the nation.

Likewise, if we safeguard our agricultural sector, help them transition to more sustainable farming methods, as they already wish to do and some are already doing, and genuinely tackle the impact that global warming will have on food production, rather than pockmarking farms with coal seam gas wells or turning them into enormous open-cut coalmines, we can safeguard those jobs as well.

We really need to start getting some long-term perspective onto these questions of where our future economic prosperity lies. We know it is not in last-century thinking. It is not in the big mines and the big old infrastructure items. It is in the exciting new areas of clean energy, innovation, science, and research and development of technology, and in our services sector and ecotourism. These are the green and prosperous economies of the future, which we know will provide employment and sustained income to our bottom line.

I hope we see moves in that direction. I think the Australian community is desperate to see a move in that direction. That is why it was very disappointing to hear the Prime Minister last
night already ruling out changing the climate change policies of the Abbott government. He has no doubt had to bring an awful lot of climate sceptics along with him in order to ascend to the leadership, but I urge the Prime Minister to seriously base his policies on science. I urge all members in this place to restore the centrality of science to decision making, particularly as it pertains to climate change—which is intricately linked to our economic prosperity—and to realise that the momentum is on globally.

The transition towards a low-carbon economy is not some fringe, crazy notion as the leader of government business in the Senate would have us believe every time he howls us down when the Greens ask a question about climate change. It is actually fringe to not be making that transition. Look at the rest of the world. That transition is on; it is happening. And every day Australia is getting further and further behind—when we have some of the best clean energy resources in the world. We have some of the world's best sunshine, yet we have a government that is hamstringing the CEFC from investing in rooftop solar—or in wind, for that matter, because a bunch of people are awfully concerned about the health impacts of wind, of which there are none, and forget about the health impacts of coalmining, which are well known and actually documented by real scientists. I hope we see a diminution of the influence of the fossil fuels sector on both of the big parties. I am an eternal optimist. It remains to be seen whether anything will change. It needs to change. We cannot just have the same old, tired, failed policies with a slightly better salesperson at the helm.

Senator LINES (Western Australia) (16:08): Today is Mr Turnbull's first day as Prime Minister. It has been marked by the release of a NATSEM-Anglicare report that serves to demonstrate that the Liberal Party has yet again promoted another out-of-touch leader. This research for Anglicare Australia focuses on the changes in living standards for a broad range of family types in Australia up to 2014. It is almost like two worlds colliding. They could not be more different and they could not be more stark. One of the first points the report makes is that the gap between the rich—that is, Mr Turnbull—and the poor, those on low incomes and benefits, has only grown under his predecessor and shows no signs of slowing down. Our egalitarian culture and our fair go for all are now well and truly under attack by this LNP government.

The NATSEM-Anglicare report states very clearly that life will get harder for those on low incomes. For hundreds of thousands of Australians, their decline in living standards is a direct result of the proposed cuts to pensions and family tax benefits supported 100 per cent by Mr Turnbull. For wage earners it is the very low growth in wages supported by Mr Turnbull and his government. The report predicts flat growth over the next 10 years, along with a very low GDP. Income growth is slow, and last year members of the then Abbott government applauded that. But of course that affects what people have to spend. Whereas in the past wages growth has been about four to five per cent, it is now around two to three per cent. This is only marginally above inflation—not enough to enable individuals, couples or families to get ahead.

Earlier this year, in an arrogant attack on his own Public Service, Senator Abetz accused public servants of living in a 'pay rise paradise' and wrongly claimed that the Public Service had received wage increases far above those in the private sector. His economic leadership—or, rather, no economic leadership—failed to acknowledge that the ABS statistics, the real truth, and not Abbott's 'never let the truth get in the way of a story' rhetoric shows clearly that
there is not very much difference between the public and private sectors on wage increases. In the decade between 2004 and 2014, private sector total wage growth was 42.5 per cent. In the same period the broader public sector wage growth was 45.9 per cent—hardly the pay rise paradise that Senator Abetz was trying to invent. The LNP government has failed its Public Service. There has been a high 'no' vote on the unfair Abetz enterprise bargaining deal, and levels of industrial action not seen in many years are now happening right across the public sector.

The LNP government, no matter who the leader is, has failed to provide any economic leadership. It has record unemployment and very high youth unemployment, particularly in the seat of Canning, where youth unemployment is at an alarming 14.6 per cent, with no plan to change that. Since the coalition government's first budget was handed down in May 2014, economic growth has slowed. The annual growth rate has declined from three per cent in the March quarter of 2014 to two per cent in the June quarter of 2015. Australian incomes are down right across the board, not just in the public sector. Living standards have fallen, and Australians' disposable income is down 1.8 per cent in real terms. Consumer confidence is down. Again, that has gone down since the coalition came into government. That is based on the Westpac-Melbourne Institute index. Wages growth has slumped. Apparently the LNP government thinks it is a good thing that wages growth has slumped. But of course it is not a good thing, because there is less money in the economy. Unemployment is up at record levels. It never had a six in front of it when Labor were in government, not even at the height of the global financial crisis. What a disgrace. Unemployment is well and truly up. Those opposite will talk about the jobs they have created. But what are those jobs? They are part time, casual and low paid, mainly occupied by women. That means those people need continued support from a government that is hell-bent on making sure that that support is not there—that wants to pull the rug away from families and from single parents struggling to survive under its harsh budget.

What is Mr Turnbull's response to that? We know he backed in both budgets of the LNP government. He backed them in 100 per cent. Today he has backed in the old-fashioned view of marriage equality to waste millions of taxpayers' dollars holding a vote that is not necessary, and he is sticking to an old-fashioned, outdated climate change policy. The coalition have well and truly bungled the economy, and it will not change under the leadership of Mr Turnbull.

All over this nation Australians have been hurt by the failed economic leadership of this government—formerly the Abbott government and now the Turnbull government. What is Mr Turnbull's approach? He just seems to think he needs to communicate better. The voters of Canning and, indeed, all voters across the country deserve better than that. But Mr Turnbull will not change. He will continue to back in, as he has done in the past, the harsh, unfair policies of the LNP government. The people of Canning know that—and, thankfully, they get to vote this Saturday.

Senator IAN MACDONALD (Queensland) (16:15): The voters of Canning and, indeed, all Australians understand the failure of the Rudd-Gillard-Rudd government to provide the economic leadership our nation needed six years ago. The voters in Canning—where I campaigned with Mr Randall during his very first attempt at the seat, which he was successful at—and, indeed, all Australians should look at the Australian economy.
Let's have a look at shipbuilding. The Labor government was in power for six years and did not do one thing to establish any forward trajectory for building the new ships that the Australian Navy desperately need. Let's look at the manufacturing industry. All of the problems of the Holden, Toyota and Ford motor vehicle companies occurred in the six years of the Rudd-Gillard-Rudd government. The problems for those motor car companies did not start the day Labor lost the election; they were a result of inaction by the Labor Party, and Senator Carr in particular, over the previous six years.

Let's go to agriculture and look at the Labor government's record there. The Labor Party are never supporters of agricultural industries. There was Senator Ludwig's decision to stop the live cattle export trade and the destruction that that brought to a once vibrant industry. That cost jobs, homes and properties. Let's have a look at financial management. Under the last year of the Howard government there was $60 billion in the nation's piggy bank in credit. At the end of the Rudd-Gillard-Rudd government, there was nothing left of the $60 billion of credit, only a debt approaching $700 billion that was costing Australia $1 million a day in interest to foreign lenders.

Let's have a look at tourism. Under Labor there was no interest in the Barrier Reef and in supporting the tourism jobs there. All they did was tax and scare away any investment in the tourism industry. In the trade area, which is so essential to Australia's future, the Labor government tried and tried for six years. I do not think they could have tried very hard, because they achieved absolutely zero, zilch, nothing. In the two years of the coalition government there have been three trade agreements with our biggest trading partners—Japan, Korea and China. That is a wonderful effort that will create jobs.

I heard the previous speaker talk about climate change. Remember that Australia emits less than 1.2 per cent of all global emissions. What did the Labor Party do? It shut down jobs in manufacturing and mining and exported jobs overseas so Australia could reduce its emissions of carbon by five per cent—five per cent of 1.2 per cent! Gee, that is going to save the world from climate change, isn't it? It was an absolutely ridiculous, ludicrous and nonsensical hoax on the Australian people. A number of jobs that used to be held by Australians were exported overseas in that crazy period of the carbon tax and the mining tax.

Mining, one of the most important job creators, particularly up in the north of Australia, was discouraged by the Labor Party with a mining tax! That tax just sent investment out of Australia to South Africa, South America and even some places that would make you wonder why anyone would dare to go to there. But the mining companies found it safer investing in Africa and South America than in Australia. Why? It was because of the Labor government's retrospective, unexplained and unheralded attacks on mining. That is the Labor government's record of economic leadership.

I will go through those things again to show what good economic leadership can do, starting with shipbuilding. What did the Abbott government do about shipbuilding? We announced contracts for Australian workers. That happened after six years of nothing by Labor. In manufacturing, we got rid of the carbon tax. We brought some sense to the renewable energy target so that Australians can feel confident that their jobs will be there tomorrow, particularly in the cement and aluminium industries, which, had Labor stayed in power, would have continued to be exported overseas because of Labor's crazy policies.
I have mentioned what Labor did with agriculture. By contrast, the coalition government has put out an agriculture white paper on the heels of a white paper on northern Australian development which encourage and support agriculture and show all Australians, but particularly farmers, that we are their friends and that we want to help. The Labor Party and their allies in the Greens would have had you believe that the Barrier Reef was ruined. I regret to say, Senator Waters, in a most un-Australian way, toured the world telling everybody not to go to the Barrier Reef because it was destroyed and damaged, a complete pack of lies—

**Senator Waters:** Acting Deputy President O'Neill, I raise a point of order. Just to clarify: it was actually government ministers that toured the world. I did not tour the world. I can do my job from Queensland to protect the reef.

**Senator IAN MACDONALD:** Clearly, there is not a point of order. I always get these frivolous points of order when I expose to those who might be listening to this debate the absolute hypocrisy of the Greens political party and the way that they—and Senator Waters in particular—set out to destroy the Barrier Reef and Queensland's wonderful tourism industry. As Senator Waters or anyone would know if they ever bothered to go to the Barrier Reef, it is still one of the seven natural wonders of the world. It is something that should be talked up not talked down as Senator Waters and her mates in the Greens political party do.

In trade, Labor could do nothing. I have mentioned that the coalition has three new trade agreements—two confirmed and a third one with China on exactly the same terms and conditions as to employment as others. Suddenly, the Labor Party are opposed to that. Senator Wong, as shadow trade minister, should hang her head in shame. This is an absolute disgrace, and I cannot help thinking that it is the Labor Party returning to their old White Australia roots. Remember the old White Australia policy promoted by the Labor Party? If you did not have white skin, you could not get a job in Australia. Now it seems to me—

**Senator Moore:** What did the Liberal Party do about it?

**Senator IAN MACDONALD:** That was the Labor Party policy, wasn't it?

**Senator Moore:** What did the Liberal Party do about it?

**Senator IAN MACDONALD:** Was it the Labor Party policy? Who introduced that? Was it Arthur Calwell who made some comments about that? I will debate that with you—

**Senator Moore interjecting**

The ACTING DEPUTY PRESIDENT (Senator O'Neill): Senator Macdonald, I ask you to make your remarks through the chair please. And Senator—

**Senator IAN MACDONALD:** I would appreciate if you could protect me from these vicious interjections by Senator Moore trying to shout me down in exposing the truth that the White Australia policy was Labor's. In fact, it was Mr Menzies who got rid of that vile policy. The way the Labor Party are going on in this xenophobic way with the China free trade agreement, you would think that some in the party want to return to the 'good old' White Australia policy days. You would almost think that, for some reason, they are anti-Asian or anti-Chinese. There is no fact in their argument. Clearly, the China free trade agreement will create jobs for Australians and wealth for Australians.

All through the coalition government, the approach is to good financial management that does not leave Australia like Greece. Australia has to pay off the debts that it runs up, but the
Labor Party have no plan for that. We will do that. At the same time, we will continue to create new jobs, like the 17,000 jobs alone that were created just in August of this year. We will continue to encourage exports, encourage productivity in Australia and get Australia moving. One of the ways that we will do that, of course, is to bring a crooked union movement to account, and the royal commission is doing that. The Abbott and Turnbull governments have everything to be proud of in their economic management, unlike the Labor Party.

Senator BULLOCK (Western Australia) (16:26): The mission of the Australian Labor Party is to defend and advance economic opportunity for the working people of this country and for their families. This is the economic leadership that our nation needs.

Today, Australia is entering a new period of leadership under a new Prime Minister, Malcolm Turnbull, and we are entitled to ask what this leadership holds for working people. There are some important indicators of the substance of this leadership—rather than merely the style—which are worthy of drawing to the attention of the Australian people. Firstly, we have the perspective of our Treasurer, Mr Hockey, which he offered just yesterday. Before commenting on the outrageous disloyalty of some, he said, and I quote, Mr Turnbull made a number of claims about economic leadership that are completely unfounded. He has never said to me or to the cabinet that we are heading in the wrong economic direction. So there it is from the Treasurer himself. Mr Turnbull has consistently endorsed the economic direction set out by Mr Hockey. He has endorsed the cuts to health. He has endorsed the cuts to education. He has endorsed the cuts to the ABC and SBS. He has endorsed all of the government's broken promises—the cuts to the dementia and severe behaviours supplement, the increased tax on petrol, the $100,000 university degrees and the attempts to further impoverish pensioners by cutting their indexation arrangements. All of the horrendous measures proposed by Mr Hockey in the government's 2014 budget, along with all of those measures which have been carried over into the 2015 budget, bear the Turnbull stamp of approval.

So that is Mr Turnbull's past and his present, but what of his future? What is the guiding philosophy which will set the tone of his impending leadership of the nation? Helpfully, Mr Turnbull set out his philosophy in his victory speech last night, when he said words that will, hopefully, haunt him throughout the remaining few months of his purloined prime ministership. He said:

It will be a thoroughly Liberal Government committed to freedom, the individual and the market. This is the Turnbull philosophy: a world of individuals freely striving alone against market forces, a world of individuals needing to be agile and to be more and more competitive to survive the buffeting of market forces, and a Darwinian world of self-interest and self-service in which only the fittest survive.

Mr Turnbull understands self-interest. As former Liberal Premier of Victoria Mr Kennett said yesterday of Mr Turnbull's challenge: 'It's about self-interest. It's not about community.' There, in a nutshell, is the difference between the economic leadership offered by the elitist Mr Turnbull and that which will be provided by a Shorten Labor government. Labor does not see a dog-eat-dog world of individuals in which the fittest survive. Labor sees the individual as a member of a family, as a member of the community and as a member of society. Labor seeks opportunities for people, for families and for society. Labor's vision is a big, broad,
generous vision: leadership to take us forward as a society, not to advance one at the expense
of another; economic leadership for the nation, not just for the few, the privileged, the
winners—the people who believe that $100 million entitles you to the prime ministership.

Labor supports free trade while protecting Australian jobs. Labor wants to open the doors
of educational opportunity, providing affordable training for the jobs of the future. Labor
stands for fair taxation, recognising capacity to pay, not regressive arrangements favouring
the rich, like increasing the GST to fund tax cuts for the wealthy while failing to close
loopholes offering tax avoidance opportunities to multinational corporations. Labor stands for
a fair day's pay with appropriate penalty rates for work at unsociable hours and for the right of
unions to negotiate collectively for their members. Labor stands for a healthcare system
accessible through Medicare, not through your credit card. Labor is prepared to meet the
challenges of protecting our environment, not shy away from it. Labor stands for a modern
communication system, not one cobbled together with copper wires. Labor stands for the
many, not for the few; for the family, for society, not for the individual and the unrestrained
market. Labor provides economic leadership for the whole nation, not just for Point Piper. As
has been observed elsewhere, when choosing a model for leadership, 'We're all in this
together' trumps 'You're on your own'. In closing, I trust the Australian community will come
to respond to Mr Turnbull in the same way that Mr Kennett did yesterday when he said, 'I will
never, ever, ever vote for Malcolm Turnbull', and then added, to avoid doubt, 'Ever.'

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (16:31):
The really lucky thing for Jeff Kennett, who is 'never, ever, ever, ever going to the vote for
Malcolm Turnbull', is that unless he moves into the seat of Wentworth he is never going to
have to.

It seems somewhat ironic that the matter of public importance that has been put on the
Notice Paper by the Labor Party today is in relation to economic management. There is a
certain irony in us being lectured by the Labor Party about economic leadership. I listened to
Senator Bullock's contribution with great interest. I have a lot of respect for Senator Bullock's
opinions and views on many things, and much of what he said I thought probably made an
awful lot of sense. The only problem was that when his side were in government I do not
think they delivered many of the things that Senator Bullock has just aspired for the Labor
Party; they do not hold true. So while it was a fabulous ideological speech, I am not
necessarily sure there was any substance in the delivery of it whatsoever. To be lectured by
the Labor Party, a party that promised surplus after surplus after surplus and
recorded nothing but deficit after deficit after deficit after debt after deficit, does strike me as
being rather extraordinary. It seems that the minute the coalition were elected to parliament
and the Labor Party were removed to the opposition benches, they immediately forgot
everything that they had done and have spent this whole time criticising us for things that we
have done, even though much of the activity in the economic space during their watch had
been nothing short of complete and utter abject disaster.

Many of the behaviours and actions of those opposite, following the election of the
coalition government, were somewhat more mischievous than just sitting there throwing
bricks at us. They actually stood in the way of approximately $5 billion worth of their own
budget savings, savings that they had already put on the record prior to the election that they
were intending to implement in order to deal with the issues of the debt and deficit, problems
that I think the entire Australian public would be in no doubt whatsoever about—that is, that we have a problem with debt and deficit. To then come into this place and deny the incoming coalition government the opportunity to realise the savings that they had already put on the public record prior to the election was quite extraordinary.

Another thing I found extraordinary is the situation we have at the moment with ChAFTA. There is absolutely no doubt, as I said this morning and as I have probably said a thousand times since I arrived in this place, that Australia is an exporting nation. We are never going to get rich selling to ourselves, because we do not have the population or the capacity to sustain a population that will allow us to continue to sell to ourselves. So the most important thing that we can do in an economic management sense is to make sure that we develop our export markets so that Australian businesses can prosper in their manufacturing, in their production, and can sell overseas, because unless businesses in Australia are prosperous, there will be no jobs.

I acknowledge that the most important thing that we can do in Australia is to make sure that every Australian has a job. Most particularly it would be nice to think that every Australian could have a job that they liked, a job that was going to give them the economic prosperity, the lifestyle and the standard of living that all of us aspire to have. That is the bottom line, but we cannot deliver that unless we give the prosperity and the economic ability for growth and prosperity to businesses. To be standing in the way of the China free trade agreement, our largest trading partner in the world, is an absolute disgrace. To then come into this place today and criticise us about economic leadership—the economic leadership shown by those opposite was some of the worst that this country has ever seen. I probably would not trust the Labor Party to run a chook raffle when it came to economic management.

The track record of this government has been very good. There is certainly no doubt, and I do not think anybody in this place, no matter who they are, would not agree that we can always do better in the economic space, but what I would ask those opposite is to please allow us the opportunity to do better in this economic space. Allow us to implement the policies that we went to the Australian public with in 2013. Allow us to be able to give businesses incentives so that they can create the jobs and so that those jobs can go to the people who we all agree are the reason we actually govern this country. The coalition government has got a good track record. I agree we could have a better track record. I can say, for one, that I am very keen to work with this government to make sure that we increase the economic prosperity of this country.

Senator McALLISTER (New South Wales) (16:36): We have heard a lot from the latest Prime Minister during the last 24 hours about economic leadership, but we have not heard a lot about what that phrase actually means. Australians are familiar with the opposite of economic leadership, of course, because that is what we have suffered for the last two years. Economic leadership is not a treasurer who spooks markets by releasing a press release every time he has had a thought bubble because he is not prepared to work up proper policy proposals. Economic leadership is not a prime minister or indeed a former prime minister who is so disengaged from the economy that he thinks a grocery code of conduct is an acceptable response to the challenge of the European debt crisis earlier this year. Economic leadership is not a communications minister, or a former communications minister, who claims to be interested in the opportunities presented by technology but who guts the NBN to ensure that
Australian businesses have to face the challenges of the future using the technologies of the past. Economic leadership is not a small business minister who leaves the business community in a state of suspense about whether anti-competitive changes to competition law will or will not be enacted. Economic leadership is not a social services minister who lets youth unemployment climb to 19.1 per cent—the highest rate in 16 years—and then decides that the proper policy response is to punish young people by forcing them to live on nothing while they apply for the Newstart allowance. Economic leadership is not a government that is asleep at the helm whilst 781,000 Australians are out of work—a 13-year high—when GDP growth has contracted to just two per cent, when the budget deficit doubled in the last 12 months, and when consumer sentiment has slumped 15 per cent since the coalition came to office.

What does economic leadership look like? The government has a responsibility to create policy settings that enable businesses to grow and to create prosperity for the nation. But it needs to do this in a responsible and evidence-driven way that is clear and is communicated to all. That is the only way to avoid the capital strike that some commentators say is confronting our economy. That is a bare minimum of competent governance. But economic leadership requires much, much more.

The business community is not a single entity. It has marquee companies that benefit from existing regulations, and technological disrupters who want to change the status quo. It has price makers and price takers. It has importers and exporters. Economic leadership is about balancing those competing interests in a way that is fair. It is about investing in research and development so that we can provide Australian businesses and workers with the tools they need to be competitive in the future. Can we expect this from a man who supported $100,000 university degrees? Can we expect it from a man who was happy with the coalition government ripping millions of dollars from higher education and from science and research?

The economy consists of more than just business, as Senator Bullock has pointed out. It includes us as employees and as consumers. Economic leadership requires the benefits of growth and the fruits of prosperity to be distributed fairly. Can we expect this from a man who unhesitatingly endorsed a GP tax and cuts to hospitals and schools? Economic leadership may require decisions that cut across your political interests. It may require you to raise taxes on highly profitable companies that have the clout to run media campaigns. It may require you to cut benefits to wealthy people in your electorate. Can we expect this from a man whose own colleagues accuse him of having put himself first throughout his career? Can we expect principled decisions from a man who declared former Prime Minister Tony Abbott's climate policies to be 'bull', and now shows no inclination to change them once in power?

When the latest Prime Minister is called upon to show economic leadership, the loudest voices in his ears are going to be the voices of those who have the most to lose—the men who have a silver spoon firmly in their mouths. The question is: can we trust this man to make decisions for all Australians? Can we trust him to show economic leadership? History says no.

The ACTING DEPUTY PRESIDENT: Are there any other senators wishing to speak in the MPI debate this afternoon? There being no other speakers, I declare the time for discussion expired.
COMMITTEES

Law Enforcement Committee
Report

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (16:42): On behalf of Senator Ketter on behalf of the Parliamentary Joint Committee on Law Enforcement, I present a report of the committee on the examination of the annual report of the Australian Federal Police 2013-14, together with the Hansard record of proceedings and documents presented to the committee.

Order that the report be printed.

Senator URQUHART: I move:
That the Senate take note of the report.
I seek leave to continue my remarks later.
Leave granted; debate adjourned.

Joint Standing Committee on Treaties
Report

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (16:42): I present the 153rd report of the Joint Standing Committee on Treaties, treaties tabled on 16 June and 23 June 2015. I move:
That the Senate take note of the report.
I seek leave to continue my remarks later.
Leave granted; debate adjourned.

Public Works Committee
Report

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (16:43): On behalf the Parliamentary Standing Committee on Public Works, I present report No. 8 of 2015, referrals made June 2015, and move:
That the Senate take note of the report.
I seek leave to incorporate the tabling statement in Hansard.
Leave granted.

The statement read as follows—
Mr President

On behalf of the Parliamentary Standing Committee on Public Works, I present the Committee's eighth report of 2015 which deals with three projects referred to the Committee in June.

The first project is for the Australian Taxation Office. It concerns the refurbishment of currently leased premises at 121-125 Henry Street in Penrith, New South Wales. At the same time the ATO propose to relinquish nearly 4,500 square metres of excess space. The estimated cost of the project is $19.6 million.

This building was purpose-built for the ATO in 1994. The current fit-out, which has been in place since that time, requires upgrading. The building owner will use this opportunity to enhance base
building services. Together these upgrades will deliver both energy and cost efficiencies. Additionally, the fit-out will increase work point occupancy density so that it is in line with the government target.

The Committee received a briefing from the ATO and conducted hearings on 24 August. The ATO told the Committee that similar works have achieved successful outcomes, in terms of cost and project delivery.

The Committee is satisfied that the project has merit in terms of need, scope and cost and recommends that it proceed.

Mr President, the second project I report on today is for the newly amalgamated Administrative Appeals Tribunal. From 1 July 2015, the AAT was expanded to include the Migration Review Tribunal, Refugee Review Tribunal and the Social Security Appeals Tribunal.

These Tribunals are currently spread across three different locations in Sydney’s central business district. The AAT plans to undertake fit-out works at 83 Clarence Street, Sydney to accommodate all staff and operations in the one location. The works are expected to be completed by March 2016. The project is expected to cost $21.1 million.

Co-location will allow the AAT to share resources and reduce floor space. The AAT has negotiated cost savings and lease incentives for the fit-out.

The Committee received a briefing from the AAT and conducted hearings on 24 August. At the public hearing, the Committee received information regarding some of the special requirements for AAT fit-out. These will include office space for full-time Tribunal members, as well as security and acoustic requirements needed for the hearing rooms.

The Committee is satisfied that the project has merit in terms of need, scope and cost and recommends that it proceed.

The final project, Mr President, is for Airservices Australia and concerns constructing new equipment rooms in Melbourne and Brisbane. This Committee has previously reported that existing air traffic management systems used by Airservices and Defence will be replaced by the OneSKY system.

OneSKY will run in tandem with the current system for a four year period before it becomes fully operational. Airservices' existing equipment rooms in Melbourne and Brisbane do not have sufficient power, cooling, floor space and availability to accommodate both systems. Therefore Airservices proposes to construct new equipment rooms for the OneSKY system. The project is expected to cost $35.4 million.

The Committee received a briefing from Airservices and conducted a site inspection and hearings in Melbourne on 25 August. Airservices told the Committee that constructing new facilities at each location was the lowest-risk, being the least disruptive to air traffic service delivery and safety.

Mr President, the Committee notes that all federally-leased airports are required to produce a plan for major developments conducted on-site. This includes a public consultation phase and sign off by the Minister for Infrastructure and Regional Development. As the public consultations are still in progress, the Committee requires Airservices to report back on the outcomes.

However, the Committee is satisfied that the project has merit in terms of need, scope and cost and recommends that it proceed.

Mr President, I commend this report to the Senate.

The ACTING DEPUTY PRESIDENT (Senator O'Neill): The question is that the Senate take note of the report.

Question agreed to.
MINISTERIAL STATEMENTS
Ministerial Investment Statement
Senator RYAN (Victoria—Parliamentary Secretary to the Minister for Education and Training) (16:44): On behalf of the Minister for Trade and Investment, Mr Robb, I table the 2015 ministerial investment statement.

BILLS
Tax and Superannuation Laws Amendment (Better Targeting the Income Tax Transparency Laws) Bill 2015
First Reading
Bill received from House of Representatives.
Senator RYAN (Victoria—Parliamentary Secretary to the Minister for Education and Training) (16:44): 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 RYAN (Victoria—Parliamentary Secretary to the Minister for Education and Training) (16:45): I move:
That this bill be now read a second time.
I seek leave to have the second reading speech incorporated in Hansard.
Leave granted.
The speech read as follows—
The Tax and Superannuation Laws Amendment (Better Targeting of the Income Tax Transparency Laws) Bill 2015 will ensure that the release of information by the Commissioner of Taxation under the income tax public disclosure laws does not jeopardise the privacy, personal security and market environments of Australian owned private companies.

The Government is committed to combatting tax avoidance and we are implementing well-considered and balanced measures.

As G20 President in 2014, Australia led the global response to tax avoidance by multinational companies and ensured that it remained at the top of the international agenda. Under Australia’s leadership, the first of the G20/OECD’s Base Erosion and Profit Shifting recommendations were delivered last year.

The Budget continued the Government’s strong international leadership by actioning the 2014 G20/OECD Base Erosion and Profit Shifting recommendations on Country-by-Country reporting, anti-hybrid rules, harmful tax practices, and treaty abuse rules.

Australia will implement the OECD’s Country-by-Country reporting from 1 January 2016. We are one of the first countries to commit to implementing it.

Country-by-Country reporting to tax administrations will require large multinationals to report annually for each jurisdiction in which they do business the amount of revenue, profit, income tax and economic activity. For the first time tax administrations will get a global picture of multinationals’ operations. This is a significant step in improving transparency for tax administrations.
The Government has asked the Board of Tax to commence consultation on the implementation of the OECD's anti-hybrid rules.

Australia has no harmful tax practices, but the ATO has already commenced exchanging information with other tax administrations on preferential tax regimes. This will help the ATO identify secret tax deals provided to multinationals by other countries that may contribute tax avoidance in Australia.

On treaty abuse, the Government is acting now to incorporate the OECD's recommendations into Australia's treaty practice, so that multinationals do not exploit treaties to avoid tax.

The Government is also going further and faster than these BEPS recommendations.

The Government released exposure draft legislation for the new Multinational Anti-Avoidance Law to stop multinationals artificially avoiding a taxable presence in Australia and force them to pay tax in Australia on profits from economic activities undertaken here. The legislation will be introduced shortly.

The Government will also double penalties for large companies that use tax avoidance and profit shifting schemes.

We will close the tax loophole that currently means digital products and services imported by consumers are not subject to GST. Foreign providers will now be required to charge GST in the same way as domestic providers.

The Government has asked the Board of Taxation to work with businesses to develop a voluntary code for greater disclosure by companies of their tax information. I expect that the Board of Taxation will look at ways to provide more information to help inform the public about companies' tax information.

The Budget also announced that Australia will sign a multilateral international agreement to enable Common Reporting Standard information to be exchanged between tax administrations. This agreement was signed on the third of June.

The Common Reporting Standard will combat tax evasion by exposing taxpayers with hidden offshore investments.

The Government has committed to implementing the Common Reporting Standard from 2017 and signing the Multilateral Competent Authority Agreement is a further step towards implementation.

These are all well-considered and balanced measures.

Labor's income tax public disclosure laws require the Commissioner of Taxation to publish the name and the Australian Business Number, total income, taxable income and tax payable of companies with total income of $100 million or more.

In Opposition we opposed Labor's legislation because it got the balance wrong.

These laws abrogate the fundamental right to confidentiality. The information to be disclosed, already in the hands of the Australian Taxation Office, will not help the ATO in assessing additional tax.

Public disclosure of the information as Labor has legislated will not better inform the public and will not enhance the quality of debate and will provide a confusing picture.

Submissions on the measure before it was introduced by Labor highlighted the risk that disclosing the tax affairs of closely held companies will effectively disclose the tax affairs of the companies' owners. They also highlighted the risk of making public, the commercial in-confidence information of private companies.

The concerns about Labor's laws were also raised when this Government consulted on exposure draft legislation to carve-out Australian owned private companies.

The concerns were not heeded by Labor.
We have taken them seriously.

For closely held Australian owned private companies, the publication of company tax affairs would effectively reveal the owners' private financial affairs.

In Japan, public disclosure of corporate tax information was required from 1950 until 2004. This disclosure was abolished in 2005 due to the information:

'being utilized in various ways inconsistent with its initial aim, and there are various reports of the disclosure being a factor in causing crimes and harassment…'

The Government will not trivialise or ignore the reputational or personal safety concerns from making public the confidential information of private companies.

The Government's amendment will continue to ensure that publicly-listed companies and foreign owned private companies would continue to have information published, but it will ensure a balanced approach to the public disclosure of companies' tax affairs.

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.

**Aged Care Amendment (Independent Complaints Arrangements) Bill 2015**

**Civil Law and Justice (Omnibus Amendments) Bill 2015**

Return from the House of Representatives

Messages received from the House of Representatives returning the bills without amendment.

**COMMITTEES**

Community Affairs Legislation Committee

Report

**Senator RUSTON** (South Australia—Deputy Government Whip in the Senate) (16:46): On behalf of the Chair of the Community Affairs Legislation Committee, Senator Seselja, I present the report of the committee on the provisions of the Fairer Paid Parental Leave Bill 2015, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

**BUSINESS**

Rearrangement

**Senator RYAN** (Victoria—Parliamentary Secretary to the Minister for Education and Training) (16:47): I move:

That intervening business be postponed till after consideration of government business Asian Infrastructure Investment Bank Bill 2015.

Question agreed to.

**BILLS**

Asian Infrastructure Investment Bank Bill 2015

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

CHAMBER
to which the following amendment was moved:

At the end of the motion, add —but the Senate:

(a) urges the Government to use its diplomatic influence to secure standards for labour rights, environmental preservation and the protection of local communities that face displacement from large projects; and

(b) calls on the Government to withdraw if policies addressing environmental and social impacts required by Article 13 of the Asian Infrastructure Investment Bank Articles of Agreement are breached.

Senator IAN MACDONALD (Queensland) (16:48): I relish joining this debate on the Asian Infrastructure Investment Bank Bill. Senator Lambie was the last speaker on this just before question time. I am not quite sure who writes Senator Lambie's speeches, but I cannot believe that she believes the words she said in her speech—that this bank is like the Chinese military taking over the world or an attempt by the Chinese government to expand communism. I think those were the words she used.

Senator Hanson-Young: I raise a point of order, Acting Deputy President. I would like clarification as to who Senator 'Lammie' is—perhaps you meant Senator Lambie, Senator Macdonald. I am not sure. But referring to people by their correct name would probably be helpful.

The ACTING DEPUTY PRESIDENT (Senator O'Neill): There is no point of order.

Senator IAN MACDONALD: Senator Lambie was, in her speech, likening the Asian Infrastructure Investment Bank Bill to the communist Chinese government expanding communism. I cannot believe that even Senator Lambie would believe that.

This bill will help Australia be part of the Asian Infrastructure Investment Bank. It provides the parliament's authority for Australia's involvement and also an appropriation for the payment of Australia's capital contribution to the Asian Infrastructure Investment Bank. Why do we want to become part of this bank? Why does Australia think that this is a good idea and wants to be part of it? It is because the establishment of this bank, and Australia's part in it, will be good for Australia and for Australian jobs. Following completion of all the necessary ratification processes, Australia will lodge its instrument of ratification with the bank's depository, which is in China, and Australia's membership of the bank will become effective on the latter of the date of lodgement or on the day on which the bank is established. The commencement set out in the bill addresses the situation of the bill having received royal assent and the bank not yet having been established. That is provided for in the bill itself.

Once the bill does become law, Australia will be obligated to pay for the cost of our shareholding, of making our contribution to the ownership of the bank. Payments that Australia must make for subscription of shares of the capital stock of the bank are authorised by section 5. Section 7 authorises the consolidated revenue fund to be appropriated for the purposes of purchasing Australia's share subscription. That sets out the method by which Australia will become part of this bank process. Australia's total shareholding will be US$3.7 billion. That is about A$4½ billion, or a little bit more. It is part of the total of the approximately A$932 million paid up capital of the bank. The remaining US$2.9 billion will be callable capital, which is a contingent liability against the authority. The Treasurer, who is the responsible minister, may issue promissory notes and will have certain technical ways of providing the money for our investment in this bank.
It is important to understand how Australia benefits from becoming a member of this bank. The key benefit to our country is that the bank will improve infrastructure throughout the Asian region. That, of course, provides great opportunities for Australian trade and business. Our prosperity and our economic growth are very closely tied to the Asian region. That is of course why the coalition government has fought very hard to achieve remarkable success, I might say, in sealing and completing free trade agreements with Japan and Korea. And all credit to Mr Andrew Robb for the work he has done. I know that the previous Labor minister said that he was trying for six years to achieve those two free trade agreements. They never seemed to happen, so I am just a little surprised that effectively within 12 months of becoming the minister Mr Robb had been able to do the work and complete the agreement. We are very much part of Asia. We are very much part of this part of the world, and our free trade agreements conclusively prove and assist our involvement with all the countries of East Asia.

Regretfully, I have had to say in other debates today that I simply cannot understand the Labor Party's approach to the third of these very important free trade agreements, the free trade agreement that has been negotiated with one of the biggest economies in the world, China. Here we have a wonderful opportunity to increase trade, not just in goods but also in services, to a country that is already our biggest trading partner. The removal of tariffs both ways will increase that trade. Everybody knows what a huge economy it is, how many hundreds of millions of people there are in China, many of them moving into what is loosely described as the middle classes and wanting a better standard of accommodation, transport, clothing and, importantly for Australia, food. Here we have this great opportunity to increase this trade. I understand that very soon a bill will come before this parliament that will provide the mechanics of reducing tariffs and effectively ensuring the reduction of tariffs two ways in Australia's trade with China. That can only be good for Australia.

You have heard time and time again examples of how Australians have already made a mark in the Chinese markets, but those first steps, as we could call them, are certain to multiply with the endorsement of this free trade agreement. If, by chance, the Labor Party is able to convince the Greens political party and enough of the crossbenchers that this is not a good deal, then not only will that prevent Australia from having the wonderful opportunities that the free trade agreement would provide but also it will be, quite frankly—and I do not like saying this—an insult to the Chinese negotiators who have made concessions to Australia to get us to where we are at. I note that Mr Robb said some other time that if the deal does not go ahead this time then there may not be another time.

Again, the Senate has heard any number of times just how important it is that this free trade arrangement is completed through the parliamentary process prior to the end of this year. If it is not, the concessions that we get on tariffs will be put back another year. That will make us that much less competitive with our competitors in the goods and services we export than we are this year. So, it is absolutely essential that we do that. And if you ask any farmer, anyone in the service industries, they will tell you the absolutely essential nature of immediate action on this free trade bill.

It has been inquired to death. It has been looked at by everybody, and everybody in this chamber, with the exception of the Labor Party, seems to think it is a good idea. It is not a political issue because like the coalition, most of the luminaries in the Labor Party—such as Hawke, Keating, Bob Carr and the premiers of the various Labor states—support the free
trade agreements. It is completely ridiculous and it is difficult to understand why the Labor Party in this chamber are opposing the free trade agreement.

The Labor Party talk about certain provisions for allowing workers in that will not have Australian standards, and this has been said time and time again on the public record—here in this chamber and in question time—but it has been proven to be a lie, a furphy and a complete misinterpretation of the facts. Do not take the words of Senator Abetz or of Senator Payne about this; take the words of Bob Hawke, of Bob Carr, of Premier Weatherill and of the Premier of Victoria—they are the ones that are saying it. Why are they saying that? Because they know that the provisions relating to employment are the same in these agreements as they were in one of the agreements that the Australian Labor Party managed to sign up with one of the South American countries during their term of office. They are exactly the same as the Labor Party has used, so why are they opposed to it? I hate to think it and I certainly do not believe it myself, but tell me another reason apart from being the old White Australia policy coming back into the Labor Party. I am sure that is not the way, but I cannot see any other reason why the Labor Party, in this chamber in particular, oppose it.

This Asian Infrastructure Investment Bank bill brings us closer to Asia and provides those opportunities for Australian trade and business, just like the free trade agreements. Not only does greater infrastructure and investment mean greater demand for Australian commodities, such as metals, and not only does it mean greater investment in ports and rail in emerging markets, but it will also create new opportunities for Australian companies. The bill also provides an opportunity to deepen our relationship with our largest trading partner and the region's largest economy, along with up to 55 other member countries in the Asia-Pacific region, which include India, Korea, France and other major economies.

The question has been raised: will Australian companies be able to be bid for projects? Of course, the answer is yes. The bank will have an open procurement model, meaning that companies from any country—not just the member countries—can bid for contracts. Australia, as a member of the bank, will be able to benefit from up-to-date knowledge of the opportunities available to Australian companies. If Australian companies can take advantage of those opportunities, then that means jobs for Australians and wealth for Australia. And who could be opposed to that? Australian companies have won contracts from other multilateral banks, such as the Asian Development Bank, so we are pretty well positioned. We have a track record to be able to make strong bids for contracts from the Asian Infrastructure Investment Bank.

Some people have asked me whether the bank would be able to invest in Australia. According to the articles agreement, that is not precluded. However, I would expect that the bank will initially focus on infrastructure in developing countries in the Asian region, where it will be able to play a more important role in encouraging private-sector funding, financing and infrastructure.

I have previously mentioned what Australia's investment and contribution will be. I understand from the bill that the authorised capital is some US$100 billion and about US$20 billion is being paid in. Clearly, it is a move that will be very much in Australia's interest because we are an important player in this East-Asia region. Any development of infrastructure in any of the countries in this region can only be good for the region and consequently good for Australia.
Those of us who have had the privilege of travelling in the Asia-Pacific region understand that, whilst some Asian countries have some of the very best infrastructure going—have a look at some of the trains in Japan for example, and while I have never been to China I believe some of their trains are very good too—other Asian countries are not quite so fortunate at the present time. There is clearly a lot that can be done in the way of infrastructure. We all know that infrastructure builds the economy. That is why, I might say as an aside, the coalition government has placed such significant importance on infrastructure in northern Australia. Although I would not classify northern Australia in the same category as some of the developing countries in Asia, clearly northern Australia is a part of our country that could well do with significant infrastructure investment. The northern Australian White Paper launched by the coalition government in June makes that commitment. In fact, it not only makes that commitment but also it provided the money for it in this year's budget.

As a nation we understand that infrastructure is important to grow the country, to grow the economy, to create jobs, to create wealth and to make Australia a better place and the living standards of all Australians even better. The same applies to infrastructure investment in Asia, not only because it is good economic sense but because as a global citizen in this part of the world Australia wants to do the right thing by providing funding for infrastructure in the Asian region.

I do not think time is going to allow me to tell the Senate of some of the third-party endorsements—from people like the Chair of Industry Super Australia, Mr Peter Collins; the executive director of the Business Council of Australia; or the group chief executive of the Australian Industry Group—but all of them are on record as strongly supporting Australia's investment in the Asian Infrastructure Investment Bank.

It is said that the investment will be a huge fillip for Australian expertise in funds management, engineering, construction, architecture and legal services which could be applied to projects financed by the bank. It provides new opportunities to deploy capital as well as to export the funds know-how in connecting pension savings to bankable projects, and that is very, very important for Australia. The resources of the Asian Infrastructure Investment Bank will increase the scope for pension and sovereign wealth funds to invest in long-term productive assets in this region. Australia, like Asia, is dealing with challenges in the area of infrastructure and others. This bank will help meet them, and I am delighted that Australia will be part of that. I commend this bill to the Senate.

Senator BACK (Western Australia) (17:09): Last night, a billion people around the world went to bed hungry, many of them children, most of them in our region, and tonight they will go to bed hungry again. The reason why I support so strongly the Asian Infrastructure Investment Bank Bill 2015 is that it is a mechanism by or a conduit through which Australia can play a role in reducing that frightful figure of a billion people going to bed this evening without having had sufficient food. We will have 1.9 billion more people in this region by 2050—again, a challenge Australia can be part of in terms of a solution. I do not want to focus just on China, but it is illustrative of Asia. In Indonesia, the figures can be similar, as they can for other countries within the Asian region.

You and I, Mr Acting Deputy President Whish-Wilson—you, in your case, having come from Western Australia originally and me, in my case, still coming from Western Australia—understand very clearly the fact that our state is Asia centric, whereas most of the east coast is
still Pacific centric. Fifty per cent of the world's population now live within two hours of either side of Western Australia's time zone. We already play a significant role in this country, and this bill and the actions that flow from it will give us the opportunity to play an even more significant role.

I turn to China for a moment to speak about urbanisation. In the last 15 years, they have gone from being 35 per cent urban to 50 per cent urban and, in another 15 years, they will go to 65 per cent urban. They do not have sufficient land or sufficient water to be able to provide nourishment for their people. Using China as an example again, because it speaks to the importance of our involvement in the Asian Infrastructure Investment Bank, in the 10 years of the presidency of Hu Jintao, the per capita income in China went from US$1,000 per year to US$5,000 per year—from US$1,000 to US$5,000 in 10 years. The last time there was a fivefold increase in per capita income anywhere in the world was during the Industrial Revolution of the 18th and 19th centuries, and that took 100 years, not 10. Therein lies the challenge.

What is the impact of this? As we all know, it is an increased demand for protein foods over staple foods as a community of people move higher socioeconomically, into the middle class, and an absolute emphasis on safe food and the reliable supply of food. Military leaders around the world have said since time immemorial that people go to war when there is a fear of inadequate, unsafe food and a lack of water—examples of which exist today. People want a better lifestyle. We saw this in the 10 years I spent working in India, where there was a burgeoning development of the middle class. It leads to a greater demand for services and a greater demand for better government management of the people's needs. Again, India is a prime example. In the city of Mumbai, no building has access to water 24 hours a day. Every building, be it a house, a leading hotel or a business, has a water tank on top so they get water for a certain number of hours a day, and power—unreliable power.

Why do I make these points so strongly? It is because Asia faces a major infrastructure financing gap estimated to be worth US$8 trillion over the next decade, and this Asian Infrastructure Investment Bank will be the mechanism by which we and they can start to address these issues. For water, including harvesting water, storing water, delivering water and ensuring water is safe for potable purposes and of course for irrigation and others; and for power, including generation of power, distribution of power, safe and economical consumption of power—all these require infrastructure.

When we speak of the delivery of goods, a statistic that is not commonly known but should be is that it is estimated that more than 40 per cent of all food produced in the world is not consumed—40 per cent of food produced in the world is not consumed—due to poor delivery; poor infrastructure; poor storage, such as a lack of refrigeration so the food spoils; poor transport; vermin, such as rats; or being wasted. And our own developed world is no orphan, as we know, when it comes to the food wastage that comes out of our own homes. This is not just a developing world problem or an underdeveloped world problem. But what it does point to is the need for infrastructure, the need for supply chains, the need for logistics and the need for investment.

You can go further and talk about the development of ports: the efficient and safe movement of goods into a port, through the port, into the supply chain, into storage, into transport—if it is refrigerated or if it is perishable—and on its way to the end consumer.
Those of us who have travelled throughout Asia understand very well where those challenges lie.

I want to give recognition to Treasurer Joe Hockey in this whole process. It is Hockey who has led Australia's drive to be part of the inauguration of the Asian Infrastructure Investment Bank. He understands that our prosperity and economic growth in this country are closely tied to the region. I just made the point about our own state of Western Australia and of course it flows through to other states and territories. Senator Macdonald expanded that to the entire north of our country and the opportunity—magnitudes of orders of opportunity into the future. Hockey makes the point that it is important—

**The ACTING DEPUTY PRESIDENT (Senator Whish-Wilson):** I will pull you up on it this time, Senator Back. You need to address members by their titles: Mr Hockey or Minister Hockey.

**Senator BACK:** I will. I will say 'the excellent Treasurer'.

**Senator Cameron:** Mr Acting Deputy President, the point of order is that Senator Back has consistently called the Treasurer 'Hockey'. I know that the Treasurer is on the outer and I know that the Treasurer will not be the Treasurer for very long, but he at least deserves the proper title.

**The ACTING DEPUTY PRESIDENT:** That is not a point of order, thank you, Senator Cameron. I had already pulled up Senator Back.

**Senator BACK:** That less than helpful contribution should be ignored, Mr Acting Deputy President. I certainly do give Mr Hockey the accolade and the acclaim, because it was him that saw the importance of us joining the Asian Infrastructure Investment Bank.

Senator Cameron will be delighted to learn that on 29 June this year, Mr Hockey, the excellent Treasurer of Australia, gave effect to the government's commitment to join the Asian Infrastructure Investment Bank by being the first person in the world—the first person in the world to sign the bank's articles of agreement in the Great Hall of the People in Beijing. His signature was followed by representatives of 49 other countries. What a great legacy for that great man. Mr Hockey said:

> The decision to join the bank was made following extensive consultations with key partners inside the Asian region and outside the Asian region. This included participating on negotiations on the bank's design with 56 other prospective founding member countries.

It is important to understand that we are the fifth-largest regional shareholder in the bank. In that sense Australia, through the excellence of Mr Hockey, will be able to influence the bank's decisions and strategic direction.

The question was asked in earlier contributions today—I am not sure if it was you, Mr Acting Deputy President Whish-Wilson, or Senator Lambie—about what governance processes were in place. I believe, since you are nodding, Mr Acting Deputy President, that it may have been you. So I have availed myself of this opportunity to inform the Senate of this.

In March of this year the government made clear that the key issues to be resolved before Australia could commit to join the AIIB were that the bank's board of directors would have control over key investment decisions and that no country—and I hope Senator Lambie's staff are listening because she made the observation that China in some way would have some
massive influence—will dominate the bank or the decisions of the directors. So, in announcing our decision to sign the articles of agreement in June, again that excellent Treasurer, Mr Hockey, noted that all these criteria have been met and that the governance will be based on best practice, ensuring that all members will be directly involved in the direction and decision making of the bank in an open and transparent matter. I hope that is further discussed when we come to look at some of the amendments.

Mr Acting Deputy President, why do we need to be involved? I cannot go further than the comments of industry leaders. Peter Collins, the chair of Industry Super Australia, made the observation:

This move will be a huge fillip for Australian expertise in funds management, engineering, construction, architecture and legal services which could be widely applied to projects financed by the AIIB.

He also made the observation that not only will they 'provide new opportunities to deploy capital but also export the funds know-how in connecting funds services and savings to bankable projects'. There you have Australian super. I am sure Senator Sinodinos will correct me if I am wrong, but if already have the second-largest or third-largest pool of superannuation investment in the world, and we are rushing to become the second-largest, if not the largest. To have an acknowledgment and an endorsement from the chair of Industry Super Australia has to be seen as a very valuable point. I hope it is a point that is not lost on members of this chamber when they finally come to consider this.

The Business Council of Australia, Chief Executive Officer, Jennifer Westacott, welcomed the government's decision to join the bank as a founding member. She made the point that Australia can play a key role in setting the direction of the body, and decisions it will make to finance projections that address Australia's infrastructure gaps. She obviously realises that Australian companies will benefit from the opportunities to participate in developing and building new bank financed infrastructure, as well as having access to improved infrastructure which facilitates trade. As we all know, we are a massive exporter. Our own state exports 95 per cent of the grain it produces. We cannot consume it. We have the land mass of continental America excluding Alaska, and we have the population of Greater New York. I just do not know where those who stand up in this place and talk about Australia not needing to be actively engaged in the world of export get off. I just do not know who they think is going to consume the produce that has made this country great, and will go on making it even greater.

Putting to one side for a moment commodities, which of course will be 99.9 per cent free trade once the China-Australia Free Trade Agreement is in place, the big point that has attracted China to Australia with this FTA is our services sector. Ten years ago, when the negotiations started under the Howard government for the China free trade agreement, the emphasis was on commodities. The Chinese now see themselves going past America as the leading economy in the world but they know they are deficient in a range of areas—in the services sector particularly, and they recognise Australia as a country that may be able to provide those services. How wonderful it will be for us in our employment, in our university sectors, to be able to produce graduates and continue to work in services sectors such as corporate governance, prudential regulation, banking and finance, insurances and extending beyond that. Minister Robb is another excellent trade minister—probably the best in our
history; nobody else has produced three free trade agreements within two years—and as he says—

Senator Cameron: A dud.

Senator BACK: A dud? I would say, judging from Senator Cameron’s appraisals of people, reference to Minister Robb being a dud would be the highest praise that could be accorded.

Senator Cameron: Mr Acting Deputy President, I rise on a point of order. I did not call Minister Robb a dud—I said the agreement was a dud. But I can add the minister to it if you like.

The ACTING DEPUTY PRESIDENT: Senator Cameron, that is not a point of order.

Senator BACK: Senator Cameron has allowed me time to take a small libation, for which I thank him.

Senator Bilyk: A what?

Senator BACK: A drink. Minister Robb was telling us—this will be very interesting to people from Tasmania, too, because there are some very good private health providers in Tasmania—that, for the first time, under this free trade agreement, and of course Senator Sinodinos is well aware of this, an Australian-based company could purchase land, build an aged care facility, staff it, manage it and repatriate the funds back to Australia. The same thing could be repeated in the hospitality industry or, for example, in the higher education sector. So there are opportunities in the services sector of the free trade agreement. You might ask where this is relevant to the Asian Infrastructure Investment Bank, and it is relevant because it is building up that level of confidence and that level of interoperability between our Asian neighbours and ourselves, which indeed goes towards complementing this whole activity.

We do know that some in America were concerned about the decision that Australia was making to participate in and become a founding member of the Asian Infrastructure Investment Bank. That is all well and good, but again the question was asked by you, Acting Deputy President Whish-Wilson, when you made your contribution: will this provide the opportunity for Australian investment in infrastructure in Asia. An example is the Thai-Lao Friendship Bridge that was completed in 1994—I believe Mr Keating may have been the Prime Minister at the time—a structure funded by Australia and built by that wonderful Western Australian company John Holland Construction. The impact that that bridge has had socially, culturally, economically and commercially on the border between Laos and Thailand has been phenomenal. It reminds me to make the observation that, because of the intertwining of aid and trade at that time, Thailand was a recipient country—it was receiving aid. But because of the focus of that aid partially at least on the trade space, we now see Thailand no longer as an aid dependent country but as a contributor. That surely must be the goal we move towards. How will this be partially funded? Through the Asian Infrastructure Investment Bank.

Often there is criticism in this place about the efforts of Foreign Minister Bishop, arguably the best foreign minister this country has ever had, certainly for the last decade or so. Minister Bishop’s focus in the aid space is twofold.

Senator Cameron interjecting—

CHAMBER
Senator BACK: I am sure Senator Cameron will want to take notes so he will not make a fool of himself in the future. The first aim is to allocate 20 per cent of the aid budget specifically into the aid for trade sector, emphasising the opportunity for people in developing countries not just to be given aid, not just to be given the fish, but to be taught how to fish. As has happened with Thailand, they can be moved out of that dependence on aid. The second has been the initiative of Minister Bishop, led by Bloomberg, the recently retired mayor of New York, to put together a group who can look at the effectiveness and efficiency of aid expenditure around the world, using Australia as a pilot and hopefully extending that to get much better value for aid recipients.

I am delighted and proud to support this bill and to urge my colleagues in the Senate to give it their full support for the 40- to 50- to 100-year future of our relationship with Asia.

Senator SINODINOS (New South Wales) (17:30): I rise to speak on the Asian Infrastructure Investment Bank Bill 2015. I take the opportunity, as Senator Back has done, to commend the Treasurer, Mr Hockey, for his sponsorship of this proposal. I think he was an early supporter of it. I do not think it is disclosing any secrets to say that the government initially had some reservations about being a founding member of the bank. Those reservations reflected discussions with some of our allies, such as the United States and Japan. However, the decision was taken by the government under the leadership of Tony Abbott, by Mr Abbott and Mr Hockey, to be part of the Asian Infrastructure Investment Bank.

I think that is a good decision. Towards the end of last year I was in Singapore and met with senior government officials, including at their central bank, the Monetary Authority of Singapore. It was clear to me that they thought it was important that they be a founding member of the bank. They said it would be good if we were a founding member of the bank as well. They put the argument that if you are on the ground floor of a new institution like this you have a capacity to influence its governance and structure. There had been reservations about the governance and structure of this institution. I will come back to that later in my speech. But overriding all of those considerations and, I think, the fundamental reason that the Australian government decided to be part of the Asian Infrastructure Investment Bank, is that it is a further evolution of the role of China in the region. It shows China extending its influence in the region, being a player in the region and promoting economic development and growth in the region.

That is important. From a geopolitical perspective it is really important that we continue to encourage China to engage not only in this region but globally and, therefore, to increase its commitment and stake in the global rules of engagement. That is very important. We often express some concern about what will happen to the rules of engagement on trade and investment—which we have had largely since World War II and which were largely a product of American power, particularly in the Asia-Pacific region—if other countries, like China, start to become more important. Will they change the rules of engagement to benefit themselves, and will that be at the expense of other smaller economies, including Australia?

We have come at that in a number of ways. The first is, obviously, to reaffirm our strong alliances in the region and to continue to encourage the United States to engage constructively in the region. But we have also done it by promoting economic development and growth in the region; not only because that will benefit us, but also because rising incomes in those
countries and rising engagement in the global economy will encourage amity and cooperation in the region.

From a geopolitical perspective it is very important that we encourage China in these multilateral regional initiatives. It is very important that we engage constructively with China, so I am very happy to support what Australia, under the guidance of the Treasurer, Mr Hockey, is undertaking to do in this particular context of the Asian Infrastructure Investment Bank.

The word 'infrastructure' is in the title advisedly. The Chinese have identified a significant infrastructure gap in the region. It is estimated to be US$8 trillion in Asia in this decade alone. This is a product of economic growth and the need to produce new infrastructure. Infrastructure is very important. Economic infrastructure, in particular, increases your capacity to produce goods and services. It lays the basis for economic growth and development and for rising incomes. This infrastructure gap arises because economic growth is proceeding apace in the region. We need to address the financing gap that opens up as a result. This financing gap can be addressed over time through a combination of public and private contributions. The Asian Infrastructure Investment Bank will mobilise capital in the region, drawing on government contributions, in order to help fill at least part of this gap.

In this context I commend the work that Mr Hockey has done in the context of the G20, where, last year, under the presidency of Australia, the G20 endorsed the idea of a global infrastructure hub. The Global Infrastructure Hub will be based in Sydney and will be a clearing house for experience in addressing infrastructure issues, including matters like public-private partnerships and how to facilitate cross-border cooperation in developing and building infrastructure. That Global Infrastructure Hub is underway. It will be located in Australia and it will complement some of what we are doing here.

We must remember that, when we talk about promoting infrastructure, it is very important to note that we must not always categorise all debt as being bad. There are contexts where providing debt financing, which can be serviced in due course, can be a very appropriate thing to do, as you would understand from your own background, Mr Acting Deputy President Whish-Wilson. We should not be afraid of that. The question is always the rules under which it is done, so we can promote sound investment decisions to get the sort of returns which are needed in order to justify the investment and provide the funds for future investment.

The Asian Infrastructure Investment Bank has identified a gap in that regard. It is classified as a multilateral development bank. It is a quasi-commercial bank. What is meant there is that it is neither purely a commercial operation—it is not just a commercial bank which would crowd out private investment—nor purely an aid agency which would provide concessory finance, grant finance or whatever. What it seeks to do is to earn minimal returns—at least in the sense of breaking even—but some returns in order that it can fill the gap in financing which exists on the continuum between purely aid focused projects and purely commercial projects. It plays a catalytic role. That is, I think, very important. It can play a role in catalysing private investment by topping it up. It can play a role in filling the gap that we have identified in getting infrastructure underway which may not be purely private infrastructure. In other words, it may not be infrastructure that benefits only one particular party that is building it. You could argue then that they capture the private benefits of that infrastructure, so they should pay for all of it. But there will be infrastructure which will have spillover
benefits, or benefits which are not captured just by one group—common user infrastructure, for example. That is a good example of where having a group like this can help to fill the financing gap. That is very important. This bank will play an important part in helping to fill that infrastructure gap.

There were some concerns expressed earlier about structure and governance issues to do with the bank. These revolved around issues as to the extent to which the Chinese would have influence over the operations of the bank. It is true to say that for some aspects of the work of the bank there will be a veto. China will have veto power on issues that require a supermajority vote, such as the board, the president and the capital as well as the major operational and financial policies. But issues such as the acceptance of new members and ordinary loan decisions will not require a supermajority. And this particular veto power has been scaled back. I think this is recognition by China that it needed to make its proposal more palatable than might otherwise have been the case, and it may in part have been a reaction to some of the scepticism of the US, Japan and others. I commend the Chinese for being sensitive in that regard.

I spoke about the infrastructure gap in the region. For us the benefits of filling that gap will include a demand for commodities as new infrastructure is rolled out. That in itself is one level of demand. More importantly in a longer run sense, higher incomes in those countries will lead to more demand for a whole slew of Australian goods and services, potentially not just those involving Australian mineral and energy resources. That is very important. So there are benefits in terms of trade opportunities. There are investment opportunities in the sense that there is a capacity for the bank to invest in Australia as well. Interestingly, that could be a conduit for more investment in infrastructure related, for example, to what we are seeking to do in Northern Australia through our Northern Australia policy, which is to promote the development of Northern Australia by working with the Western Australian, Northern Territory and Queensland governments to put together infrastructure projects which will open some of those territories to more economic development. That could be a very important development. It could be a conduit for Chinese investment in Australia, done in a way which may not carry the same connotations as other forms of Chinese investment here do. And of course there will be a capacity for Australian companies to bid for procurement on major projects which are being sponsored and financed by the bank. That is a big opportunity, because from what we understand the procurement process will be a competitive one and we will be able to participate in all of that.

So this infrastructure bank provides an opportunity for us to deepen our relationship with our largest trading partner and the region's largest economy, along with 55 other member countries including India, Korea, the UK, Germany and France. It is very significant that European countries have seen this as an opportunity to participate. They recognise not only, clearly, the rise of China but also the importance of direct engagement. I have always believed that direct engagement is the best way to get other countries to understand you better and to understand them better. That is to the benefit of everybody. We will be committing, in Australian dollar terms, $932 million to the bank. Apart from the benefits I mentioned earlier, it should be noted that, consistent with the budget treatment of Australia's contributions to the other international financial institutions, Australia's paid-in capital will be treated as an investment. It does not come at the cost of other government spending, in that sense, and does
not directly add to the budget deficit. So we are not talking here about a situation where we
are potentially diverting spending from other, more useful, social purposes.

I mentioned earlier that Australian companies will be able to bid for projects. There will be
what is called an open procurement model, meaning that companies from any country—not
just member countries—can bid for contracts. Australia as a member of the bank will be able
to benefit from up-to-date knowledge of the opportunities available to our companies.
Australian companies have won contracts from other multilateral banks such as the Asian
Development Bank, so they will be well positioned to make strong bids for contracts from this
bank. Australian companies have built up a bank of knowledge in bidding for contracts with
the Asian Development Bank and others, and that gives us a capacity to understand the needs
of these international financial institutions. That will stand us in good stead, I believe, in
bidding in the region. One other area where we can potentially also benefit is in sharing our
expertise when it comes to infrastructure financing. Financial institutions such as Macquarie
Bank have over the years pioneered all sorts of infrastructure financing models. It would be
interesting to see the extent to which they can be adapted for the purposes of the region.

I need in my remarks to also cover a broader issue to do with our relationship with China,
which is that we have recently, of course, also been negotiating and have concluded
negotiations on a major free trade agreement with China. So what we see is Australia
broadening and deepening our relationship with China, giving us the capacity to influence
them in a way which could be very useful to the region as a whole. We are in the region, but
in some ways we are seen as a bridge to other countries.

I remember working in the Howard government when we were bidding for major gas
projects in China. Australian companies were bidding against British and other companies.
What was important then was that the Chinese not only thought of us as potentially a major
supplier of all sorts of different resources and commodities, but also saw the awarding of
contracts to Australian companies as a way of sending us a signal that they saw us a valued
partner in the region, an interlocutor who could also have influence with other partners in the
region and outside the region, including the United States. Sometimes the Chinese used the
Australian channel to get messages to our alliance partners.

There are a number of levels on which our relationship with China is developing. We have
the free trade agreement. We have investment in the Asian Infrastructure Investment Bank.
On top of that we have the people-to-people movements: the ways in which we are reforming
our international education to make it as good as it can be and having high-quality national
education to make the experience as good as it can be in Australia. Now, particularly with a
lower dollar, our tourism sector is really starting to revive and be stimulated. The Chinese will
also play a major role in that regard.

The need to generate returns at the bank raises a key question regarding how the bank will
balance its funding of infrastructure projects with practical considerations. Infrastructure
development is known for long funding cycles, low interest rates and the potential for waste
and corruption. If the bank is to grant loans that other banks reject for good reasons, it would
assume major risks, especially in less developed Asian countries with volatile domestic
economies and unstable governments. How the recipients will repay loans is a major question
for any bank, including this bank. But I am heartened that the governance and structure being
put in place will give the bank a capacity to draw on the experience of other multilateral
development banks in particular. As I said before, because they will operate not to seek high returns but to break even or to earn minimal profits, they will have that quasi-commercial focus, which I think will allow them to very well fill a gap that has opened up in the infrastructure financing chain.

With regard to our relationship with China more broadly, let me also say that it is clear from the way the Chinese economy is now developing that the rebalancing which is underway means that there will be an increasing focus in China itself on economic growth being driven by consumption rather than infrastructure investment and exports. China has had a very significant and very impressive export led growth model, but that is changing. They are rebalancing their economy to put more focus on consumption. That will also lead, of course, to greater demand for a whole array of goods and services from countries like Australia. We are well placed to meet much of that demand, not just because of the free trade agreement but also because of the wide array of goods and services produced by the Australian economy. I think it is very important that we do what we can to continue to promote the competitiveness of our economy, because while we are very good at producing a whole array of goods—whether you go through the agricultural chain, where we are very efficient in physical terms, or you go through to a whole array of advanced services that we are now able to generate—it is very important for us to maintain our competitiveness in the region. As I have said so many times, our competitors in the region are not waiting for us to be competitive. They continue to be competitive and to increase their competitiveness. They face their own pressures. In many ways we need to run faster just to stay in the one spot.

It is very important for us to recognise that when we contribute to these sorts of international organisations—even though we will be eligible in terms of being able to bid for the procurement on projects—we have to be competitive, not just drawing on our experience in dealing with other multilateral development banks but also recognising that we need to be innovative, we need to be productive and we need to keep our costs under control so that we can be cost-effective, have an edge and maintain an edge over our competitors. That whole innovation agenda is a topic for another day, but that is an important part of being a good partner. (Time expired)

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (17:50): I understand there are some Greens amendments to this.

The ACTING DEPUTY PRESIDENT (Senator Back): There are indeed.

Senator SCULLION: I was not sure whether or not they were going to be dealt with in committee now.

The ACTING DEPUTY PRESIDENT: We have to finish the second reading debate. I will then call for a vote on the second reading amendment.

Senator SCULLION: Firstly, I would like to thank those senators who have contributed to this debate. In summation, this bill is necessary for Australia to become a founding member of the Asian Infrastructure Investment Bank. This new international financial institution will drive economic growth and jobs in our region by funding major infrastructure projects. Australia's prosperity and economic growth is closely tied to the region. Australia's economy will benefit from improved infrastructure in Asia. Over 70 per cent of our merchandise exports go to the Asian region. Australia's membership of the Asian Infrastructure Investment
Bank and stronger economies in Asia will provide great opportunities for Australian trade and business. I look forward to the day when the Asian Infrastructure Investment Bank might invest in infrastructure here at home. I commend this bill to the Senate.

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

The Senate divided. [17:56]

(The Deputy President—Senator Marshall)

Ayes .....................10
Noes .....................39
Majority .................29

AYES

Di Natale, R
Ludlam, S
McKim, NJ
Rice, J
Waters, LJ

Hanson-Young, SC
Madigan, JJ
Rhiannon, L
Siewert, R (teller)
Whish-Wilson, PS

NOES

Back, CJ
Bilyk, CL
Bullock, CL
Bushby, DC
Cameron, DN
Canavan, MJ (teller)
Cash, MC
Dastyari, S
Day, RJ
Fawcett, DJ
Fierravanti-Wells, C
Fifield, MP
Gallacher, AM
Gallagher, KR
Ketter, CR
Lazarus, GP
Leyonhjelm, DE
Lindgren, JM
Lines, S
Ludwig, JW
Macdonald, ID
Marshall, GM
McAllister, J
McEwen, A
McGrath, J
McLucas, J
Moore, CM
Muir, R
Nash, F
O'Neil, DM
Payne, MA
Peris, N
Reynolds, L
Ruston, A
Sculion, NG
Sinodinos, A
Sterle, G
Wang, Z
Williams, JR

Question negatived.
Original question agreed to.
Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

The CHAIRMAN: The question is that the bill stand as printed.
Senator WHISH-WILSON (Tasmania) (18:00): I ask the minister to confirm whether the bank itself would be investing in Australian infrastructure projects or whether it can invest in Australian infrastructure projects.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (18:00): I understand that it will not initially but it can.

Senator WHISH-WILSON (Tasmania) (18:00): Could you state whether it is likely to invest in Australian projects? I noted in my speech to the second reading debate that, during the consultation process, the state governments and premiers expressed considerable interest in having investment in infrastructure projects in Australia through this. I just want to get this very clear because it is unclear to me whether it is likely to be investing in Australia.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (18:01): It is unlikely after the early establishment of the bank.

Senator WHISH-WILSON (Tasmania) (18:01): Would the minister clarify the interface between trade and aid, not specifically the aid-for-trade program that the government has embarked on but whether with the commercial activities of this bank, or, let's say, its quasi-commercial activities given it is going to have a broader investment mandate—there will be social capital and other things involved, no doubt—there is a risk that the aims of this bank and the actual on-ground activities and financing will be a replacement for direct foreign aid to these regions.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (18:02): I am advised that, no, it is not. The purpose is, of course, to unlock the investment in the commercial and private sector.

Senator CAMERON (New South Wales) (18:02): Minister, as you are aware, Labor supports this bill. However, there are some issues that were raised during the second reading debate and an amendment was moved, which went to the issue of secure standards for labour rights, environmental preservation and protection of local communities that face displacement from large projects. These are, in my view and Labor's view, legitimate issues for concern. We did not support the second reading amendment because of the linkage back into a very low trigger for withdrawal from the bank. I ask whether these issues of labour rights, environmental preservation and protection of local communities have been discussed by government and what the government's position is on these very important issues.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (18:03): I understand that all of the issues that you have raised are being discussed and will be covered.

Senator CAMERON (New South Wales) (18:04): 'Are being discussed and will be covered' is a bit broad. I think the question I am asking is not whether they will be covered but whether, if we sign off on the bank—because my view is that, if Labor were in government and we signed off on this, these are issues that we would be concerned with—the government will deal with these issues when the government becomes a member of the bank.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (18:04): I can advise the senator that, of course, there are policy statements on all of these issues, but I am happy to take that on notice for the senator and come back with some further information.
Senator WHISH-WILSON (Tasmania) (18:05): On a similar line of questioning, you obviously saw the amendment to the second reading motion that we moved. When will those investment guidelines be in place? Will they be mandatory and how will they be audited and assessed?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (18:05): I understand the board will be established by the end of the year, so that will be the timeline for that. That then needs to be considered in that process.

Senator WHISH-WILSON (Tasmania) (18:06): I think that is a slightly different question, but I am interested in that anyway. Regarding us having a leadership role to play apart from providing the capital, obviously we expect or would hope to have a seat on the board as a major shareholder. What confidence do you have that that will happen? I understand it has not been determined yet. Is it a sure thing or is it not?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (18:06): I am advised that we definitely have a seat on the board.

Senator WHISH-WILSON (Tasmania) (18:06): The full national interest analysis suggests very strongly that we will, but the report that I was given as a member of JSCOT said it was not certain that it would be finalised. So that is good to know.

In relation to having to having a seat on the board and having a leadership role to play in the bank, I ask again about environmental and social and ethical safeguards to investment and when those will be finalised. What process will we go through in having input into those? Do we have any triggers in place to raise concerns around particular investments? Today I gave the example of investing in dams in Sarawak, and the problems of displacement of local people and environmental damage. These kinds of things are very important to my party. So before we support the Australian taxpayer putting money into this I would like to know that there will be safeguards in place.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (18:08): My understanding is that, early next year, there will definitely be policy around the issue that you have raised, and we are contributing to that in the chief negotiator's process.

Senator WHISH-WILSON (Tasmania) (18:08): I suppose the Scrutiny of Bills Committee accepted the clauses around immunity because it is commonplace in other multilateral investment organisations. Do you have concerns over the immunity provided to employees of these banks? If there is immunity—I do not understand how this works in other organisations—who audits these organisations, who holds them to account if there are breaches? I mentioned in my speech today that corruption is rife in a lot of countries in South-East Asia. So I would like to know what protections would be put in place and what avenues of prosecution, auditing et cetera there will be for the bank.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (18:09): It is necessary to provide these privileges and immunities to ratify the AIIB articles of agreement. The privileges and immunities form part of the articles. Accepting the amendment would prevent Australia from ratifying the articles
and mean Australia would not become a member of the AIIB. The privileges and immunities for the AIIB are modelled on those provided to the World Bank and the Asian Development Bank, and they are necessary for the AIIB and its staff to carry out duties of the bank such as freedom of movement across borders and protection of bank documents.

Senator CAMERON (New South Wales) (18:10): Minister, as you are aware, Labor has cooperated with the government in relation to this bill. However, I just want to place it on record that that cooperation has not been reciprocated by the government. A number of questions were placed on notice when the Senate committee was looking at this bill. We asked a number of questions on notice. I think the cut-off for that was five o'clock today. It would have been easy for Labor to delay the passage of this bill by not agreeing to the exemption from the cut-off. Have these responses been tabled today? If not, why not? And if they have not been tabled, why should we cooperate if we do not get reciprocal cooperation from the government?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (18:11): My understanding is that the hearing happened only yesterday and Treasury is working as quickly as possible to provide the information.

Senator CAMERON (New South Wales) (18:11): Do you have any idea when those responses will be available?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (18:12): My understanding is that they will be available by tomorrow.

Senator WHISH-WILSON (Tasmania) (18:12): I would like to have been at the JSCOT briefing yesterday—I might not be asking these questions if I had been—but, unfortunately, I was away on other business. The Greens certainly like the concept of what is being proposed here, but it seems as though there is blind faith here—that we are suspending belief and saying we assume it is all going to be fine. It would be very good to have further guidance on a number of issues. Can you give us an idea of whether the immunity provisions relate to, for example, the conduct of employees in relation to bribery? And how are standards in the bank set if no individual country can pursue action against, for example, individual employees who might be acting in a corrupt way?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (18:13): My understanding is that they provide no immunity for improper or corrupt conduct.

Senator WHISH-WILSON (Tasmania) (18:13): Article 50(1) basically says that governors, directors, alternates, the President, the Vice-President and other officers and employees of the bank, including experts and consultants, shall be immune from legal process with respect to the acts performed by them in their official capacity, except when the bank waives immunity, and shall enjoy the inviolability of all their official papers, documents and records. That is not clear to me. In fact, it looks like they will be immune. That is the reason we put this amendment up, which I will get to in a minute. And with the Scrutiny of Bills Committee report, I would have thought there was room for the government to include provisions in the bill relating to some of these issues. I suppose that is not a question; it is more of a statement. I have just a couple of very direct questions and we can get through this
fairly quickly. Would the government consider the establishment of any triggers for withdrawal from the bank? The reason I ask this question is that we do not have the information with us to make the decisions on some of these very important factors. Would you put in place a trigger or a clause for withdrawal from the bank should certain preconditions not be met around ethical investing, environmental and labour safeguards or other issues in relation to impropriety, illegal or fraudulent conduct et cetera by employees?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (18:15): In relation to the immunity if there is improper conduct, the bank will waive its immunity. In relation to the second part of the question, we can withdraw if we need to. But we would rather remedy the situation.

Senator WHISH-WILSON (Tasmania) (18:15): That answered my second question—whether you would withdraw if certain policy guidelines et cetera were breached. But we do not have those, so I cannot ask you even that question. In relation to strategy, Senator Sinodinos was talking about how it was not purely an aid agency and it was not purely a commercial bank; it had a catalytic role. Do you expect that most of the projects would be greenfield projects or would they be brownfield projects? Do we have any idea of the kind of pipeline projects we are looking at?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (18:16): I understand we will not know until the board meets next year.

Senator WHISH-WILSON (Tasmania) (18:16): You must have an idea. Some of the numbers I heard were of backlogs of projects worth trillions of dollars waiting to happen. Can you give us an idea? There was a bridge in Burma, I think; that was one that was mentioned. I am just trying to get an idea of the expected rate of return that the Australian taxpayer would be pursuing, or whether that is not even an issue and, instead, it is more of a social capital proposition.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (18:17): We do not have a bias toward either the greenfield or brownfield. It is difficult to indicate at this stage. As I have said, the board is not formed as yet. We will very much be looking at those projects on merit: their capability and what they can deliver.

Senator CAMERON (New South Wales) (18:17): I want to ask you just to clarify again—if you have not done so already: under article 46.1 of the bank's Articles of Agreement:

The Bank shall enjoy immunity from every form of legal process, except in cases arising out of or in connection with the exercise of its powers to raise funds, through borrowings or other means, to guarantee obligations, or to buy and sell or underwrite the sale of securities …

So I understand there are certain immunities relating to the operation of the bank. What is the issue of general criminal law in relation to officers of the bank?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (18:18): I understand that there are no immunities or privileges for things related to that criminal conduct.
Senator CAMERON (New South Wales) (18:18): So when you say that you 'understand', are you saying they have no immunity from criminal activity?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (18:18): I am advised that that is the case.

Senator WHISH-WILSON (Tasmania) (18:19): On that note, Chairman Marshall, I think Senator Cameron summed up our position very well with that last statement. I move Greens amendment (1) on sheet 7764:

(1) Clause 3, page 3 (lines 5 to 9), omit:

Regulations may confer privileges and immunities on:

(a) the Bank; and

(b) officers and employees of the Bank; and

(c) experts and consultants performing missions or services for the Bank.

Senator CAMERON (New South Wales) (18:19): Labor will be opposing this amendment on sheet 7764 on the basis that these privileges and immunities are consistent with those conferred to other institutions such as the World Bank and the Asian Development Bank. These privileges and immunities allow the bank and its officers to operate consistent with the articles of the bank and notwithstanding they may be undertaking work in areas of uncertainty, including in weak states or where rule of law is not consistently upheld.

Clause 8 of the bill states that regulations may confer privileges and immunities on the Asian Infrastructure Investment Bank, officers and employees of the bank and consultants performing services for the bank. Clause 8(1) specifies that privileges and immunities necessary or desirable to give effect to chapter 9 of the bank's Articles of Agreement may be conferred on the Asian Infrastructure Investment Bank by the regulations. In chapter 9, articles 44 to 52 of the Asian Infrastructure Investment Bank's Articles of Agreement set out the status, immunities, privileges and exemptions that must be given to the bank by each Asian Infrastructure Investment Bank member state. This means, for example, that the bank is recognised as having international legal personality, which means that this organisation possesses international rights and duties. That is article 45. It also means that the bank will enjoy immunity from every form of the legal process except in cases arising out of, or in conjunction with, the exercise of its powers to raise funds through borrowings or other means to guarantee obligations or to buy and sell or underwrite the sale of securities. That is article 46.1, which I spoke about earlier.

I note again the commitment given that the bank's officers or employees will still be subject to the general laws of the country. I note that this matter was addressed in the report of the Senate Economics Legislation Committee, which identified that the Senate Standing Committee for the Scrutiny of Bills in its Alert Digest sought clarification on two matters: the nature of the proposed immunities and privileges as set out in clause 8 of the bill, and why these immunities and privileges are set out in regulation and not in the bill.

These are matters that were also canvassed at the hearing of the Senate Economics Legislation Committee last night, where interested senators had the opportunity to explore this matter further. I note that the Greens did not participate in the hearing. The officials present at the hearing last night advised the Economics Committee that conferring immunities and privileges is similar to that for comparable institutions. The Treasurer also advised the
Senate Scrutiny of Bills Committee that the immunities and privileges conferred by the bill were consistent with those of other multilateral development banks, stating:
The nature of the proposed privileges and immunities are consistent with privileges and immunities afforded to the Asian Development Bank and the European Bank for Reconstruction and Development. Australia is a member of both of these multilateral development banks.
The opposition is satisfied with this explanation, although it would be useful if the minister could explain to the Committee of the Whole why these immunities and privileges are set out in regulations and not in the bill.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (18:23): I understand that it is the same way that they are done for the World Bank and the Asian Development Bank.

Senator WHISH-WILSON (Tasmania) (18:24): I asked a similar question earlier. I just wanted to note—and this will be my last comment for the two amendments—that regarding the Scrutiny of Bills Committee report their comments were that they remained concerned about the proposed approach and the limited information readily available as to the detail of the intended immunities and privileges. The committee drew its concern to the attention of the senators and left the question of whether the proposed modifications to the normal operation of the law, which may have an adverse impact on the personal rights or liberties of individuals, is appropriate to the consideration of the Senate as a whole. We felt that that should be taken out, and that is why we have moved this amendment.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (18:24): I can indicate to the chamber that the government will not be supporting the amendment.

The CHAIRMAN: The question is that amendment (1) on sheet 7764 be agreed to.
Question negatived.

The CHAIRMAN: Senator Whish-Wilson, given that that amendment was defeated, that probably makes the second amendment redundant, so, unless you want to move it—

Senator Whish-Wilson: No, I am happy to take your advice on that.

The CHAIRMAN: If there are no more questions, the question is that the bill stand as printed.

Question agreed to.

Bill agreed to.

Bill reported without amendments; report adopted.

Third Reading

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (18:25): I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.
BUSINESS

Rearrangement

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (18:26): I move:

That intervening business be postponed until after consideration of the government business order of the day relating to the Tax and Superannuation Laws Amendment (2015 Measures No. 4) Bill 2015.

Question agreed to.

BILLS

Tax and Superannuation Laws Amendment (2015 Measures No. 4) Bill 2015

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator CAMERON (New South Wales) (18:27): At the outset I inform the Senate that Labor's position is to support the Tax and Superannuation Laws Amendment (2015 Measures No. 4) Bill 2015. I expect that would not be surprising to anyone who followed the debate on this bill in the other place, given that two-thirds of the bill are measures from previous Labor budgets. The bill implements previous Labor integrity measures on capital gains tax, rollovers and lost member superannuation accounts, and it unifies the tax treatment of all civilian and Australian government employees who work overseas. It is greatly pleasing that the government is proceeding with some of the measures that Labor had planned to implement. Up until recently, you could have been forgiven for thinking that the sole purpose of the government was to tear down prior achievements of Labor governments. So, it is good to see a tax and superannuation laws amendment bill that indeed implements these sensible integrity measures.

Going to schedule 1, improving the integrity of the scrip-for-scrip rollover, we welcome the government's move to implement our integrity measures on scrip-for-scrip rollovers. The scrip-for-scrip rollover regime ensures that tax considerations are not an impediment to takeovers or mergers involving companies or trusts. Recent court cases have shed light on the tax minimisation opportunities arising from ambiguity in the existing legislation. This reform, first announced by Labor in 2012, prevents entities from indefinitely deferring capital gains tax obligations and greater consistency to the taxation of trusts.

Schedule 2 is the exemption of income earned in overseas employment. The opposition is comfortable with the government's efforts to boost the integrity of our personal income tax system by standardising the tax treatment for workers delivering overseas development assistance. This integrity measure improves the consistency of our personal income tax system by upholding the principle that Australians should pay tax on their earnings somewhere. This provision was originally introduced to ensure that aid workers working overseas were not taxed on their income both in Australia and in the source country. However, the provision no longer serves this purpose, with Australians working overseas often able to avoid income tax in both jurisdictions.

While we welcome efforts to tighten the tax net, I contrast the government's approach to the issue of double taxation of individuals with its approach to the double taxation of
corporations. Earlier this year Labor announced a multinational tax package which included a
measure for tackling hybrid instruments. Under our proposal, we are allowing the Australian
Taxation Office to look at how a hybrid instrument is treated by an overseas jurisdiction
essentially to ensure that a hybrid instrument could not, effectively, avoid tax in multiple
jurisdictions. It is striking that, while the government is willing to tackle this issue in the case
of aid workers, it is not willing to tackle the same issue when it comes to big multinational
corporations. The principle is a sensible one. Multinational corporations are looking at how a
hybrid instrument is treated by the tax regime of another country and how it is treated by the
Australian Taxation Office. The Australian Taxation Office should not be blind to the way in
which an overseas tax office treats a hybrid instrument.

Unfortunately, while the Treasurer has been talking about acting on multinational tax for
over a year and we have heard, again, the promise that he will act, we are yet to see actual
legislation. By contrast, Labor's multinational tax plan, announced in the first half of this
parliamentary term, would raise more than $7 billion over the decade. It is informed by work
in the OECD and has been carefully costed by the Parliamentary Budget Office.

Schedule 3 of this bill covers the small lost member account threshold. Labor will support
raising the threshold at which the government collects small lost member superannuation
accounts. Labor invented Australia's universal superannuation system. It was fought hard
against by the coalition at the time. When the Keating government introduced universal
superannuation in the early 1990s, those opposite railed against universal superannuation. I
remember going out and fighting for this on the job as a union official, trying to get equal
access to superannuation for blue-collar workers, predominantly in places where white-collar
workers had access to superannuation but blue-collar workers did not and where white-collar
workers could vest their superannuation and blue-collar workers could not—all issues
opposed by those opposite.

Before the 1996 election, the coalition promised not to tinker with superannuation but then
froze the superannuation contribution rate throughout the period of the Howard government.
History repeated itself in 2013 when the then opposition promised that they would not make
adverse, unexpected changes to superannuation but went ahead and froze the super
contribution rate at 9½ per cent, not allowing it to continue on its planned trajectory to 12 per
cent, which would have guaranteed a more dignified retirement for many Australians.

The system of collecting lost member accounts is sensible. It is easy for Australians to be
reunited with their lost superannuation accounts using a simple tool available on the tax office
website. But the decision that the government made in the past was that when accounts fell
below a certain amount they should be transferred to the Australian Taxation Office to ensure
they were not completely eaten up by fees and charges. Many young people know the
experience of moving from casual job to casual job, ending up with a collection of
superannuation accounts and wanting to consolidate those accounts. Before we had the lost
super regime, those accounts would often be gone within a matter of months. Thanks to the
lost super regime these accounts, when found, contain a reasonable chunk of money—about
what the individual put in.

In May 2012, Labor increased the threshold at which an account could be shifted to the
ATO from $200 to $2,000. In the 2013 budget, Labor proposed an incremental increase in the
threshold from $2,000 to $6,000. I note in passing that when it comes to unclaimed moneys
the coalition is happy to run a scare campaign with crazy talk of 'trousering', with the suggestion that anyone who believes in having a different duration after which bank accounts should be moved to the government is somehow trying to steal people's money. At the same time we have a government bill in the Senate whose effect is going to be to move more superannuation accounts to the government. The principle in both cases is the same: we want to make sure that people who have lost their bank accounts or their superannuation accounts do not find them again only to discover there is nothing in them. We also want to guard against the possibility that someone who has simply not accessed an account for a while may not want it transferred to the government. The thresholds—duration or financial—aim to get that balance right. But the government is clearly pursuing an approach to superannuation accounts that is somewhat different from its approach to bank accounts.

In the spirit of constructive bipartisanship, Labor will support this measure. We do so knowing that, as of 30 June this year, over 14 million Australians have a superannuation fund account and approximately 45 per cent of these people have more than one account. We know, through figures from the Australian Prudential Regulation Authority, that the median figure for fees and charges for low-cost superannuation accounts is $532 a year. If a person has a superannuation balance of $1,000, they will see it entirely eroded by fees and charges in a couple of years. That is the principle of lost super laws, which see accounts moved to the tax office when they fall below a certain threshold—currently $2,000 but, under this bill, $6,000. These measures will, hopefully, ensure that low wage workers and those working casual jobs are able to retire in more dignity, knowing that their accounts have not been eaten up by fees and charges.

At the same time, it is not possible to talk about super in this place without acknowledging that there is only one party of government in this parliament who believes that our superannuation tax concessions are not fair and not sustainable. The age pension is set to grow around five per cent a year over the next four years. The government says that the age pension is out of control because of that, but superannuation tax concessions are growing at more than four times this rate. The earnings concessions alone are set to double over the next four years to more than $30 billion. It will soon be the case that we spend more on superannuation tax concessions than we spend on the age pension entirely.

A Grattan Institute report on tax reform found that more than half of the benefits of super tax concessions go to the top 20 per cent of households. Indeed, the top one per cent of households gains more from our super tax concessions than the bottom 40 per cent. To improve the fairness and sustainability of our superannuation system, the opposition has made clear that we will ensure that earnings in excess of $75,000 in the retirement phase are taxed at a concessional rate of 15 per cent rather than being tax-free. This represents a partial unwinding of one of Peter Costello's many imprudent decisions in the late phase of the Howard government—this one removing entirely the tax-free status of earnings in the pension phase. That is a measure which has disproportionately benefited high-income earners and done little to take pressure off the age pension but instead had the effect of acting as a windfall for those who are able to recycle their earnings through the superannuation system.

Labor do not propose to entirely reverse that Costello decision of 2006. But we do propose, if we are fortunate enough to win government, to ensure that earnings over $75,000—and just the marginal amount over $75,000—are subject to a 15 per cent tax rate. We have also
indicated that we will lower the threshold for the 15 per cent high-income superannuation charge from $300,000 to $250,000. Those two measures together save the budget in excess of $14 billion over the decade. They are responsible, they are fair and they will put our superannuation system on a more sustainable footing for the future.

Labor is hardly a voice in the wilderness amongst those who believe that our superannuation settings need to change. We can go through those who support some changes to our superannuation system, and we will start with the Secretary to the Treasury, John Fraser. The government's own tax white paper asked the question, ‘Are Australia's superannuation tax concessions sustainable?’ A range of groups across the political spectrum have called for the government to engage in a sensible debate over superannuation tax concessions. They include the Association of Superannuation Funds of Australia, the Business Council of Australia, the Australian Council of Social Service, AustralianSuper, the Grattan Institute and Rice Warner actuaries. Indeed, the recent reform summit cosponsored by The Australian newspaper and the Financial Review newspaper saw, as part of its communiqué, a recognition that we need to look carefully at our superannuation tax concessions. We need to make sure that they are fair for this generation and fair for generations to come, such as students.

What does the government have to say about these unfair and unsustainable superannuation concessions? It depends on who you ask in the government, as with many things. The Treasurer—for the moment—Mr Hockey, has refused to rule out changes, but the former Prime Minister slammed the door on him, having said that there would be no changes whatsoever. Now it falls to the new Prime Minister, Mr Turnbull, to set aside the policy approach of his predecessor and engage with the opposition in some constructive reform.

Labor's policy on superannuation is one which has been announced early in this term of government. We did that in order to promote exactly the sort of healthy public debate that I know some on the opposite side of the chamber believe in. We recognise that superannuation changes are not universally popular, and that is why we have begun the community conversation about Labor's changes. Yes, they raise $14 billion over the next decade, but they do so by reversing a Peter Costello change, which I hope those opposite no longer believe was a fiscally prudent one, and by changing the high-income superannuation charge.

But the real question here is where the government stands. It is unusual for a member of the opposition to be saying this, but we do not know. Mr Hockey does not want to rule out any changes, but the Mr Abbott did want to rule out changes. What does Mr Turnbull believe? We know indeed that the government was considering making superannuation changes right up until the day Labor announced its policy package. Indeed, plausibly, some of the talented Treasury officials sitting in the boxes today were working on the memorandums that we know—thanks to freedom of information laws—were being sent up to the government during this period. We know that there were four briefs that went to the government in the lead-up to the 2015 budget, but they stopped on a particular day. No prizes for guessing which day that was—that was the day that Labor made its superannuation announcement. How is that a coincidence? As always, we have the government playing politics over the policy.

Let us be clear: when we are talking about superannuation, as this bill does, we need to recognise the role of the superannuation tax concessions. They do two things. They recognise the public benefit in reducing the number of people who claim the age pension, and they
recognise the public benefit in having a larger pool of savings. That second public benefit is tangible and was important in the global financial crisis but surely must be accorded less weight than the first. For people with multimillions in their superannuation accounts, Labor says: 'Good luck to you. Congratulations, but you should not necessarily be claiming the same superannuation tax concessions as you did in the past.'

Labor's policy is costed and sustainable and is something which I hope the government will engage on. I hope the government will go back to those excellent briefs which I am sure were being prepared for them by the Department of the Treasury in the lead-up to Labor's announcement and will come to a bipartisan consensus with Labor to make sure that our super tax concessions can be sustainable in the future. We have no problem with the government's proposal to increase the threshold for collecting lost members' accounts, but we want to make sure that the government engage in the bigger conversation over superannuation concessions. It is such an important conversation, particularly for those of us on this side of the chamber, who were responsible for creating universal superannuation and who will continue to defend a strong and accessible superannuation system.

Labor calls on the Prime Minister to get over the false start that he has had, the bad start that he has had, as Prime Minister of this country by conceding to the claims of the National Party to do things that are not in the national interest and only in a sectional interest. Prime Minister Turnbull has not started well. Prime Minister Turnbull has started by caving in to the National Party, and we know what that means in terms of good economic policy in this country. If you cave in to the National Party, you end up causing problems for the economic future of this country. The National Party are narrowly focused. The National Party are concerned only for their own interests, not for the interests of the regions that they have seats in. They do not look after rural communities and they do not look after Indigenous communities; they do not look after their health and they do not look after their education. Yet this new Prime Minister has caved in to the Luddites in the National Party. He has started off weakly; he has started off badly. It does not fill anyone with confidence that there will be any change. We know there will be no change because we know this Prime Minister supports the first bad budget, so he supports bad economics and bad policy.

Senator RHIANNON (New South Wales) (18:47): I rise to speak on the Tax and Superannuation Laws Amendment (2015 Measures No. 4) Bill 2015. The specific aspect of this bill that I want to deal with is that of the exemption of income earned in overseas employment. This looks like another unfair tax measure, where we have an inconsistency, and questions need to be answered by Labor, Liberals and Nationals about why they would support this inconsistency.

This measure really does penalise workers who work for the government on overseas aid projects. We are talking about people employed and paid for out of overseas development assistance. Under the current law all employees of an Australian government agency who work overseas for not fewer than 91 continuous days delivering ODA are exempted from payment of income tax on the income they earn while overseas. It might sound fair that we need to tidy that up, but that exemption is not being removed for all workers who are paid out of the government coffers.

The amendments ensure that all employees of an Australian government agency will be treated equally, in that they will now be subject to income tax on overseas income they have
earned in the delivery of ODA. We are being told that there is an issue of fairness here and that there needs to be an evening out of the current system, but it is only to do with ODA. When you look into it more deeply, you find considerable discrimination. The change, which is in schedule 2 of the bill, means that overseas development assistance workers employed by the government will no longer be eligible for tax exemptions. We know this is discriminatory because tax exemptions are being retained for workers in private companies, the Australian Federal Police and the military. This is where we need an explanation, because the Greens certainly support consistency, but we need some fair consistency in how this works.

If workers in private NGOs, the Australian Federal Police and the military will retain their tax exemption status, why shouldn't all government employees do so? I have not been able to find anything in the explanatory memorandum to the bill or in the second reading speech to clarify this. What we find buried in this legislation is that it does penalise workers who choose to work for the government in delivering ODA. If they are working for the government delivering ODA project services, this provision will now apply to them, where it did not previously. This is where we have to look at this measure closely. It looks very discriminatory.

It is also relevant to consider the changes that have been made recently to overseas aid. We have seen a massive decrease in money—$11 billion—for overseas aid. Under this government we now have language about overseas aid having to be about the national interest—not the national interest in relieving poverty in low-income countries but Australia’s national interest. I have looked at this issue closely for a long time. When one sees this measure, which discriminates against government workers employed under ODA but not against those in the private sector who are linked with aid, one has to ask questions. And those questions should be answered. As I say again, it looks very discriminatory. I did not hear any explanation as to why Labor signed off on this.

This measure is largely hidden. To be frank about it, we only came across it recently. Again I want to emphasise that the Greens support consistency in terms of tax measures—that is fair—but we are not getting consistency here. Although, when you look at how it is set out on page 25 of the explanatory memorandum, you would think that it was fair, because we are told:

These amendments ensure that all employees of an Australian government agency are treated equally …

Those are the first words—I read them out earlier. When you read on, you find that we are only talking about ODA; we are not talking about those measures applying to AFP officers and the military.

We will return to this in the committee stage of the bill. I do hope that we get a fuller explanation, because right now it seems that buried in this legislation is something that is unfair and discriminatory.

Senator McGrath (Queensland) (18:52): It gives me great pleasure to rise this evening to speak on the Tax and Superannuation Laws Amendment (2015 Measures No. 4) Bill 2015. This is a bill of unrelated tax and super measures. I will go through the three schedules in relation to each element of the bill.

The first schedule relates to improving the integrity of the scrip for scrip rollover relief rules in the Income Tax Assessment Act following a 2009 decision of the Federal Court.
Secondly, this bill will end the personal income tax exemption of wages under the provisions of the Income Tax Assessment Act earned by some Australian government employees who work overseas for more than 91 days delivering official development assistance. Thirdly, it will increase the super account balance below which small lost super accounts will be required to be transferred to the Commissioner of Taxation under the provisions of the Superannuation (Unclaimed Money and Lost Members) Act 1999. I will deal with the first schedule and then go on to the other ones in order.

It is normal practice for a company acquiring or merging with another company to offer its own shares as payment for the acquired company. Normally, such an event, which, in effect, amounts to a disposal of shares, would create capital gains tax liability. However, in certain circumstances, an entity may be able to defer paying capital gains tax until a later capital gains tax event. This is where a scrip for scrip rollover becomes a possibility. A scrip for scrip rollover is the deferral of a liability where: the owner of the asset chooses to take advantage of these provisions; the owner acquired its interest in the company being sold on or after 20 September 1985; the exchange of shares which results in a capital gain occurs on or after 10 December 1999; the exchange of shares results in the purchasing company gaining at least 80 per cent of the equity of the target company or trust; holders of voting interest in the acquired entity can participate in the merger or takeover on substantially the same terms; and the purchase bid does not contravene key provisions in chapter 6 of the Corporations Act or, if the target entity is a company, it includes a scheme of arrangement approved by the court under part 5 of the Corporations Act. Similar provisions apply to allow the deferral of capital gains tax where one trust acquires units in another trust. However, scrip for scrip rollover capital gains tax relief is not available if a share is exchanged for a unit or other interest in a fixed trust or if a unit or other interest in a fixed trust is exchanged for a share. Generally, foreign residents for tax purposes cannot take advantage of these provisions.

The origin of the proposed changes in schedule 1 is that they arise from a decision of the Federal Court in AXA Asia Pacific Holdings Ltd v Commissioner of Taxation in 2009. Briefly, this case examined whether two parties were dealing with one another on an arms-length basis and whether their arrangements invoked the general anti-avoidance provisions of part IVA of the Income Tax Assessment Act. Neither issue is being addressed by the proposed amendments in schedule 1, but the decision in this case left open opportunities to unduly avoid capital gains tax.

The proposed amendments involve subdivision 124-M of the Income Tax Assessment Act. This subdivision contains provisions to deny scrip for scrip rollover relief in circumstances where the same person or company group has influence over both the selling company and the purchasing company. According to the explanatory memorandum of the bill, subdivision 124-M treated the AXA arrangement as a genuine takeover involving a substantial change in ownership rather than as a corporate restructure. As result, AXA was able to obtain the benefit of a capital gains tax cost base uplift when eventually disposing of one of its subsidiaries.

A restructure of an entity that involves the sale of a business into a different entity, such as the sale of a business from a trust to a company, will inevitably result in an uplift to the cost base to the acquiring entity for that asset. For example, a family trust conducts a successful retail business with goodwill worth around $1.5 million, but, due to problems with
distributions to a corporate beneficiary, it decides to dispose of the business to a new company which it established. The trust vendor finances the purchase price. Thus, the newly created company now has the goodwill and the cost base of $1.5 million. The revenue earned by the company can be used for the loan payable to the trust. When the company sells the business, it can use the cost base of $1.5 million. However, because the parties to the transaction are not at arm's length, an independent evaluation of the business asset should be undertaken. The explanatory memorandum notes that the AXA case demonstrates that these integrity provisions can be circumvented. This can occur by:

... temporarily suppressing the ownership rights of a party in a scrip for scrip exchange through the use of instruments including convertible shares, options and rights.

Later, these transactions can be reversed, so that a transfer of ownership is accomplished without raising a capital gains tax liability that might otherwise occur. The proposed amendments seek to alter these integrity provisions so that this inappropriate tax relief would not occur.

This measure was first announced as part of the previous government's 2012-13 budget. The Treasury released a consultation on this matter back in July 2012, and it received only one submission in response. The coalition government announced that it was proceeding with this measure in December 2013, and in April 2015 the Treasury released an exposure draft of legislation containing the proposed provisions.

I will now move on to schedule 2 of this bill, which is removing the exemption of income earned from overseas employment. As it says in the Bills Digest:

Since 1964, under Article 34 of the Vienna Convention on Diplomatic Relations, a ‘diplomatic agent’ is exempt from personal income tax of the host country on income sourced from that agent’s home country. For the purposes of this Convention a diplomatic agent is the head of the mission or a member of the diplomatic staff of the mission. Thus Australian government staff, attached to an Australian diplomatic mission, are exempt from the host country personal income tax where that host country has signed this Convention (and the overwhelming majority of host countries have now signed).

Under section 23AG of the ITAA—

the Income Tax Assessment Act—

the foreign earnings of Australian residents for tax purposes, who have been engaged in foreign service for a continuous period of not less than 91 days, are also exempt from Australian personal income tax. This applies to periods of foreign service arising from:

- the delivery of Australian official development assistance by the person’s employer
- the activities of the person’s employer in operating a public fund that is a deductible gift recipient operating internationally
- the person’s employment by a prescribed institution which is located outside Australia and is exempt from income tax in the country in which it is resident; or is a prescribed institution that has a physical presence in Australia but which incurs its expenditure and pursues its objectives principally outside Australia or
- the person’s deployment outside Australia as a member of a disciplined force (armed forces or police).

Therefore, those persons attached to Australian diplomatic missions, who are Australian residents for taxation purposes, meeting the requirements of section 23AG of the ITAA 1936, engaged in foreign
services for not less than 91 days are exempt from both Australian and host country personal income tax regimes on their foreign income.

Those Australian residents engaged in foreign services, that do not meet the requirements of section 23AG of the ITAA 1936, are subject to Australian personal income tax; for example ordinary Australian diplomatic staff on foreign postings.

The Explanatory Memorandum notes that this exemption under section 23AG was originally provided to avoid double taxation of those engaged in government service.

I will now move on to talk about schedule 3 of this bill. As it says in the Bills Digest:

As individuals move between jobs it is possible that superannuation payments made on their behalf are paid to different funds. Sometimes this is a deliberate choice made by the individual or is the result of restrictions on moving balances between funds (such as for certain defined benefit schemes). If an individual does not make a choice about their superannuation fund upon commencing employment, it is likely that they will be a member of multiple funds.

The holding of multiple superannuation accounts may disadvantage individuals through the imposition of fixed administration fees. Multiple accounts can also impose additional costs on the superannuation system. However, it is important not to assume that each individual should only have a single account. Multiple accounts may be an active choice that a member makes to obtain certain insurance benefits, to facilitate investment choice or as a transition to retirement arrangement.

… … …

Certain ‘lost’ accounts are required to be identified and transferred biannually from superannuation funds and retirement savings account providers to the Commissioner of Taxation.

While the identification of lost superannuation has been part of superannuation industry arrangements since 1996, requirements for the transfer of these funds to the Commissioner of Taxation first applied from 1 July 2010, after being announced in the 2009-10 Budget. Prior to this, these funds remained with the relevant superannuation fund or were transferred to eligible roll-over funds. At that time, the transfer to the Commissioner of Taxation of these funds was expected to increase net revenue by almost $230 million over the period 2010-11 to 2012-13.

… … …

The justification for the transfer of such funds—which was already in place for unclaimed bank account and life insurance fund moneys—was that it would improve the efficiency of the superannuation system overall by removing the need for superannuation funds to administer or apply member protection to small accounts that are transferred and improve the equity for other members of the fund that were cross-subsidising the member protection arrangements.

The requirements to be a ‘lost member’ are set out in the Retirement Savings Accounts Regulations 1997 and Superannuation Industry (Supervision) Regulations 1994. These require the account holder to be ‘uncontactable’ or ‘inactive’:

- the account holder is ‘uncontactable’ if:
  - the provider has never had an address for the account holder or
  - at least one written communication has been sent to the account holder’s last known address and has been returned unclaimed

  and the provider has not received a contribution or roll-over in respect of the account holder within the last 12 months

- the account holder is ‘inactive’ if the account has been held for more than two years and the provider has not received a contribution or roll-over in respect of the account within the last five years. The
regulations provide for account holders to be permanently excluded from being ‘lost’ if they have indicated by some positive act or another contact that they wish to continue with the provider. There are two strands to a superannuation account being classified as a ‘lost member account’ under the Superannuation (Unclaimed Money and Lost Members) Act 1999:

- the first relates to ‘small accounts’, which are taken to be the accounts of lost members (as defined by the Regulations above) with an account balance that is less than the specified threshold in paragraph 24B(1)(b) of the Act—currently $2,000
- the second relates to ‘inactive accounts of unidentifiable members’, which are taken to be the accounts of lost members (as defined by the Regulations above) where:
  - the superannuation provider has not received an amount in respect of the member within the last 12 months and
  - the superannuation provider is satisfied that it will never be possible for the provider, having regard to the information reasonably available to the provider, to pay an amount to the member.

Schedule 3 of this Bill proposes to change the account balance threshold relating to ‘small accounts’ from $2,000 to $4,000 from 31 December 2015 and then to $6,000 from 31 December 2016.

With the time that remains to me I would like to go through some of the key issues contained in the schedules of this bill, starting with schedule 1 of the methods for dealing with potential tax loopholes in the Income Tax Assessment Act. The proposed methods are:

- to include any interests involved in a scrip for scrip rollover that are convertible shares, options, rights or similar interests in the calculations of equity interests involved in a scrip for scrip roll-over between the parties in these arrangements
- where debt is involved the proposed solution is to remove the debt sheltering opportunity arising from the current disregarding of a capital gain arising on the settlement of a debt owed, as part of a scrip for scrip acquisition, by an acquiring company to its ultimate holding company and
- where trusts are involved in a scrip for scrip roll-over, the proposed solution is to extend the operation of the new provisions so that they apply to trusts as well as to companies.

... ... ...

Item 4 of Schedule 1 amends section 127-780 of the ITAA 1997 to add a new condition for a scrip for scrip rollover to apply. This new condition is that where a purchasing entity is part of a wholly owned group, no member of that group may issue equity (other than the necessary replacement equity), or owe new debt:

- to an entity that is not a member of that wholly owned group and
- in relation to the issue of a replacement interest as part of that purchasing arrangement. This prevents other members of a wholly owned group from issuing unnecessary debt or equity to third parties that can be used to avoid CGT—capital gains tax—obligations.

Under section 124-780—of the Income Tax Assessment Act—only an original interest holder can obtain a roll-over of share interests. Under section 124-781 only an original interest holder can obtain a roll-over of trust interests. The transfer of a cost base for the purposes of a scrip for scrip roll-over can, under section 124-782, only be applied to the holder of an ‘original interest’ in an entity who is either a significant stake holder or a common stake holder. This makes the definitions of the terms ‘significant stake’ and ‘common stake’ critical for the functioning of
the scrip for scrip roll-over provisions. Both terms are defined at section 124-783 and apply where the entities involved are not ‘widely-held’—that is they have less than 300 shareholders (if they are a company) or beneficiaries (if they are a trust).

An entity has a ‘significant stake’ in a company if it and its associates own shares with 30 per cent or more of the voting rights, or the right to receive 30 per cent or more of any dividends or capital distributions (subsection 124-783(6)).

An entity has, or two or more entities have, a ‘common stake’ if they and their associates own shares with 80 per cent or more of the voting rights, or the right to receive 80 per cent or more of any dividends or capital distributions …

Equivalent tests are applied to trusts …

Item 8— (Time expired)

Senator SMITH (Western Australia) (19:12): I am glad to rise and make a contribution on this bill, the Tax and Superannuation Laws Amendment (2015 Measures No. 4) Bill, because it is one of those important, if not exactly very exciting, pieces of legislation that will better align our superannuation system with the realities of our day-to-day lives. The bill makes three changes—two to our tax laws and one, of course, to superannuation law. The two tax changes are part of the government's determined effort to make our tax system fairer and more robust, and I am sure that is an aspiration that all of us in this chamber would support. We want to make sure that everybody pays their fair share of tax and that there are no loopholes in our tax system that afford any unfair advantage to some over others based on their ability to gain the system. I would add to that coalition senators would also aspire to Australians paying the least amount of tax they possibly can.

These two changes are integrity measure that will remove the ability of certain companies, trusts and individuals to obtain an unfair tax advantage that was never intended for them. This will make our tax system harder to circumvent and more sustainable for the future. These changes will remove the ability for some entities to access tax relief from the Australian taxpayer when two merging companies are owned by the same people or the same business. This will be achieved by making definitions clearer and by ensuring that the integrity structure cannot be circumvented by businesses, trusts or companies. These changes will make our system stronger and easier to understand—a simpler, clearer set of rules for business is in the best interests of job creation and stimulating economic growth, which everyone would agree are the key priorities of economic reform for our country at the present time. However, the superannuation amendment in this bill is the aspect that is of most interest to me and to coalition senators, and is the focus of my brief contribution this evening.

This reform is about making sure we have a superannuation system that actually meets the needs of today's modern workforce. I am referring specifically to the fact that there are a large number of Australians in the community who have multiple superannuation accounts. It is a phenomena, I suspect, that is particularly widespread amongst younger Australians as they take employment opportunities, test their skills and decide for themselves what the vocations are that they aspire to in their later years. There was a time, probably more so in my parent's generation than in my own, that you took a job with one organisation or company and you stayed with that organisation or company right through your working career—that is certainly true of my father's working career—but for most Australians, and particularly younger Australians, these days are long gone.
We have a situation where people develop their skills and move onwards and upwards with various different employers. I think that is something that should be encouraged as young people and not-so-young people test their skills, move in and out of the workforce and take advantage of employment that best suits their particular needs or their family's needs at any point in time. That upward economic mobility, if that is a term I can use, should be celebrated. It makes us more competitive; it makes us more flexible; and ultimately it makes us a more prosperous nation.

But, of course, it also means superannuation accounts are being established, used to make deposits for a couple of years and then, more often than not, forgotten about as people move on to new opportunities and chose to go with new employers and their preferred or default superannuation fund. In fact, we know that about 70 per cent of Australians simply sign up with the default superannuation provided by their employer without any real active consideration in regards to its suitability or how it might fit with previous superannuation accounts that they might already have in existence.

We also know that 45 per cent of working Australians have more than one superannuation account. I suspect that trend is growing. I am sure a good many people have every intention of consolidating their hard-earned monies into one pot but life does get busy and life does go on, and those sorts of administrative things more often than not get put off and get put off until they are forgotten about altogether. Consequently, these various amounts of superannuation sit idle and if you have a few accounts with money in them, these sums can total up to a significant amount over time. As we all understand when it comes to retirement incomes, every penny counts.

As the law currently stands, these forgotten accounts will be transferred to the Australian Taxation Office for safekeeping after five years if the provider has lost contact with the account owner and the account has less than $2,000 in it. The benefit of that scenario is that it can then be held until the original owner is found. While the ATO holds the account, the owner of the account is not being charged fees or premiums, which ultimately can swallow up or eat away at these savings and line the pockets of others instead of being used by the person who earned the money to fund their retirement in the first instance.

However, more significantly, the Australian Taxation Office will pay a reclaimed account with interest in line with CPI. That means we are not just preserving the superannuation account and protecting it from being frozen, but if the account holder is located and can be linked back to their superannuation account then the Australian Taxation Office will pay a reclaimed account with interest in line with the CPI—that has to be a good thing for Australian superannuation holders.

The provisions of this legalisation will boost that $2,000 threshold, which is quite a low balance in terms of superannuation accounts being held these days. The reforms contained within the bill will see the threshold gradually move to $4,000 and then progressively upwards to $6,000. This move will mean that more of these forgotten accounts can be captured and held until such time as they are reunited with the person who actually earned the money. This is an imminently sensible change, one that takes account of an increasingly mobile and flexible workforce. I will add to that: this is a very fair outcome.

This measure was first announced by the former Labor government in its 2013-14 budget. Quite soon after coming to office, though, the coalition announced that it would continue with
this measure as intended. The government's decision to proceed with the increase to the small
or lost member superannuation account threshold is a sensible measure. I have no trouble
saying that. I am sure my colleagues—
Debate adjourned.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Lines): Order! I propose the question:
That the Senate do now adjourn.

Australian Flag

Senator McGrath (Queensland) (19:20): I wish tonight to talk about the Australian
flag. On 3 September 114 years ago, a bit of cloth—a blue flag, our flag—11 metres long and
five and a half metres wide was raised for the first time from the main dome of the Royal
Exhibition Building in Melbourne, then the home of our Commonwealth parliament. Whether
on the battlefield or sporting grounds or diplomatic posts or schools or homes—just like mine
on the Sunshine Coast—right across this country, the Australian flag, that blue flag of stars
and crosses, has come to symbolise our young Federation and the values for which we stand.

The origins of our flag are rather unique. In April 1901, the Prime Minister, Sir Edmund
Barton, announced that a competition would be held to design a federal Australian flag. Over
32,000 entries were received with five near-identical entries being awarded equal first place
and sharing in the prize of 200 pounds. On 3 September 1901, at approximately half past two,
the Prime Minister announced the winning design and that bit of cloth, that blue flag was
raised.

The Commonwealth star—originally six pointed—represented the six colonies that united
to become the Commonwealth. The seventh point was added in December 1908 to represent
all of the federal territories, which when combined with the states constituted the nation.

The five-star Southern Cross, an ancient and constant presence in our night sky, represents
our place in the world; and the Union Jack, comprising the crosses of St George, St Andrew
and St Patrick, serves to represent the principles and ideals inherited from the United
Kingdom on which our nation was founded: parliamentary democracy, the rule of law,
freedom of speech and the liberty of the individual.

This flag, our flag, was flown for the first time at the Olympic Games in St Louis in 1904,
where there was only one Australian competing. In 1908, all military establishments were
ordered to fly the flag. On Christmas Day 1912, Frank Wild, a member of Sir Douglas
Mawson's Australasian Antarctic Expedition, raised the flag to take possession of Queen
Mary Land, which is now part of the Australian Antarctic Territory.

In theatres of war—in Europe, the Pacific, the jungles of Papua New Guinea and Vietnam,
East Timor, Afghanistan, the Middle East and in many other places—the Australian flag has
been flown as a beacon of the freedoms and liberties for which countless brave Australian
men and women have fought. I believe that all serving Australian Defence Force personnel
should be gifted an Australian flag to honour their service to their nation. It disappointed me,
when I was recently in the Middle East, meeting with serving personnel of the Australian
Defence Force, to find out that they had had to buy their own flags to take over with them. I
call upon the government to make sure that all who serve in the Australian Defence Force are
given a flag, rather than being forced to go on the internet and pay money for one, and I will be writing to the new Prime Minister to ask him to make this one of the first acts of his government.

The Flags Act was personally signed by Her Majesty Queen Elizabeth II in February 1954. And I digress to congratulate—along with my good friend Senator Smith here—Her Majesty on becoming the longest reigning monarch in British and Australian history. Her Majesty has served Australia and the rest of the Commonwealth nations with grace and dignity for over 63½ years, a reassuring figure in what is sometimes an uncertain world. The Flags Act 1953 was amended to require that a referendum of all Australians be held in order to change the flag.

Australian National Flag Day, on 3 September, is an occasion on which to reflect on this national symbol and the values it represents, and organisations such as the Australian National Flag Association do great work in building community understanding of the flag and its history. I am an ardent supporter of free speech—the right of people to be quite rude about each other. However, I do find it reprehensible when hooligans and troublemakers who have no respect for Australian values, of for the sacrifices of those who fought for those values, burn, damage or otherwise desecrate our flag. It is my belief that burning or damaging with criminal intent the Australian flag should be an offence, and I note that my colleague George Christensen in the other place intends to introduce a bill to amend the Flags Act— (Time expired)

Davies, Mr Peter Lloyd

Senator PERIS (Northern Territory) (19:25): I rise tonight to mourn the passing of a great Territory man, radio presenter Pete Davies, who passed away recently after a long battle with cancer. Pete has gone from us in body but he is still with us in spirit. We are still coming to terms with not having his distinct voice and passion on our airwaves every day. He is sorely missed in the Top End of our country and further afield. My deepest condolences go to Pete's family: his wife, Vicki; their two sons, Shannon and Brodie; and Shannon's wife, Courtney, and their children.

Pete was in our homes, our cars and trucks, our boats and our workplaces in the mornings and throughout the week over months and years as a radio presenter on Mix 104.9 and in particular, in more recent years, at the helm of his current affairs program, 360.

Pete was a champion of social justice. He was passionate about working to assist people who suffered from depression, also called 'the black dog', which he also battled through the years. His work with beyondblue and advocacy work around mental health was heartfelt, consistent and important. I have no doubt he saved lives through his advocacy and his companionship, whether it was over the airwaves, at the pub or out fishing. Pete's wife, Vicki, asked me to include this verse on her behalf tonight:

While on this ride called 'life', you have to take the good with the bad, smile when you're sad, love what you've got and remember what you had. Always forgive, but not forget. Learn from your mistakes, but never regret. People change. Things go wrong. Just remember, the ride goes on.

Pete's tag line was 'Pete Davies and 360—he may not agree with you but he will always let you have your say', and he did, regardless of whether it was on the radio or in the street. It
was a tag line for his democratic resolve for his Territory listeners, and he was very much loved for his ability to ask the questions that he knew his listeners wanted answered.

Pete was a champion of the building of the Palmerston hospital right from the start, both as a radio presenter and as an alderman on the Palmerston City Council. Probably more than any other Territorian, he kept the hospital on the agenda and kept us Territory politicians accountable. It would be a fitting tribute—and I really like this suggestion from Territory Labor leader Michael Gunner—that we name the Palmerston hospital, when it is eventually built, in memory of Pete: the Pete Davies Memorial Hospital.

Pete very much enjoyed giving daily updates on the weather and sea conditions on our 'great northern pond', our beautiful Darwin Harbour. He loved fishing. My friend and former federal member for Solomon Damian Hale was a great mate of Pete's and had this to say about him:

Pete Davies was a true Territorian up front and honest. Regardless of whether you agreed with Pete or not, you couldn't help but admire his passion and love for the Northern Territory and willingness to represent the best interests of those who didn't have a voice.

He took them all to task. Prime Ministers and Ministers, Departmental Heads or leaders from the Private sector, he treated them with fairness and let them have their say.

Pete had a sharp intellect and a quick wit on air however away from the cut and thrust of morning radio he was a gentleman and a true friend to many people.

I miss Pete Davies, a great friend and Territorian who loved his wife Vicky, his boys and the Territory lifestyle. Rest in Peace Pete Davies.

There will be a public memorial service for Pete at the Fannie Bay turf club at 1 pm this Friday. As I am committed to a Senate committee hearing on Friday, I will not be able to attend and I send my sincere apologies to Vicki and the rest of Pete's family. I know it will be very well attended because Pete was well loved by everyone. I will always remember Pete by his own words. 'If you don't make any noise, then you don't get heard,' he used to say. Pete, you were heard, mate, and you gave Territorians a chance to be heard as well.

Pete gave so much to Territorians, and there have been many moving and heartfelt tributes. So I want to finish by giving Territorians a voice in this place this evening, in the same way that Pete gave them a voice on our airwaves every single day: good on you, Pete; we miss you, mate. May you rest in peace.

**Marine Sanctuaries**

**Senator SIEWERT** (Western Australia—Australian Greens Whip) (19:29): I rise tonight to talk about the marine environment. Not long after the Abbott government came to power, they got rid of Australia's world-leading marine reserves and sanctuaries by getting rid of the management plans for those reserves, which effectively meant they were just lines on the map. They have subsequently been carrying out a review so they can make a decision supposedly by the end of this year about the future of what was clearly a world-leading system of marine protected areas—marine reserves and sanctuaries—around this country. In doing that, they were listening to the big end of town and some people in the recreational
fishing sector and in the recreational fishing industry. What they did not do was listen to other
stakeholders when they made that decision to get rid of our marine reserves.

So it is with pleasure tonight that I seek leave to table a statement on sanctuaries from the
Australian dive industry. I understand that I have the agreement of the parties in the chamber
to table that statement.

Senator Colbeck: I haven't seen it.

Senator SIEWERT: This statement outlines some very significant—

The ACTING DEPUTY PRESIDENT (Senator Lines): Senator Siewert, just a moment. The
government is saying they have not seen the statement.

Senator SIEWERT: Yes, they have. Senator Bushby has seen it. I gave it to him at
lunchtime. He has actually just been in the whips meeting.

The ACTING DEPUTY PRESIDENT: Perhaps you can check with your whips,
Minister. Please continue, Senator Siewert.

Senator Colbeck: I don't know anything about it, and it's my portfolio.

Senator SIEWERT: Senator Colbeck, I assure you I have undertaken the process
correctly.

The ACTING DEPUTY PRESIDENT: Thank you. Please continue.

Senator SIEWERT: This statement from the Australian dive industry says—and I will
not quote it all but I will quote a little bit of it:

As owners and operators of dive and snorkel businesses across Australia, we have significant
concerns about any loss of protection for unique underwater environments through the Abbott
Government’s current review of Australia’s network of marine parks and sanctuaries.

It goes on at some length detailing their concerns. At the end it says:

We call on all Members of Federal Parliament to support the health and growth potential of the
Australian dive and snorkel industry by retaining and improving Australia’s world-leading network of
marine sanctuaries where the industry and science suggests and commencing their operation as soon as
possible.

The government have trashed our marine protected areas for the time being; but you would
think that, even if they were not interested in protecting marine biodiversity, they would
champion a more fiscally responsible approach. But the government have neglected to look at
the significant impact that the dive and snorkel industry brings to the Australian economy in
the form of tourism. That industry relies on a good system of marine sanctuaries. Protecting
marine biodiversity is what this industry depends on.

The Centre for Conservation Geography has estimated that the industry—an industry that
is directly threatened if our marine biodiversity is threatened—could be worth as much as
$4.2 billion. Bear in mind that Australia has unique marine biodiversity. If you are not
interested in protecting the marine environment, how about looking at what that marine
environment does for our economy? The government clearly has not looked at that. They
clearly did not engage the dive industry in their process of decision making when they got rid
of the marine protected areas, reserves and sanctuaries by getting rid of the marine plans.

I share the concerns of the dive industry. I commend this statement to the chamber and I
urge the Turnbull government to get a move on with the review and put our world-leading
series of marine sanctuaries back in place so that we can be assured that our unique marine biodiversity is protected in perpetuity and that industries that rely on marine protection, like the Australian dive industry, actually have a chance. Not only do we want our marine species and unique environments to continue to exist, we also want these sorts of industries that rely on them to continue to exist.

**The ACTING DEPUTY PRESIDENT:** Is leave granted to table the document?

**Senator Colbeck:** No.

**The ACTING DEPUTY PRESIDENT:** We will check back on that, Senator Siewert.

**Senator SIEWERT:** Can I just say that I am very disappointed. I specifically spoke twice to the coalition whip. It means that that system is worth nothing if now I can be denied leave to table this statement.

**The ACTING DEPUTY PRESIDENT:** Thank you, Senator Siewert; we are not getting into a debating point. My advice is that we are checking. I have heard 'no' from the government side so the best we can do is check.

**Property Investment Industry**

**Senator WILLIAMS** (New South Wales) (19:35): I rise tonight to speak about what I consider to be a big problem here in our country. I want to focus on the property investment industry. The property investment industry involves giving advice to potential property investors, which may include: advice relating to their personal circumstances, advice about what property to buy, and advice about the tax and borrowing structure to employ. It is an unregulated industry. You do not need to be licensed, qualified or educated to be a property investment advisor. There is no requirement to indicate what commissions are received. The growing popularity of property investment via self-managed super funds makes this even more alarming, with poor investment decisions putting the retirement of potentially millions of Australians at risk.

ABS data shows that financing for property investment purposes has accounted for as much as 40 per cent of all housing finance activity. Self-managed super funds are the fastest growing segment of Australian superannuation. As of June 2013 self-managed super funds held around $500 billion worth of assets, almost one-third of the $1.6 trillion superannuation industry total assets at that time. According to the Reserve Bank of Australia, this compares to just a nine per cent portion of the industry's assets in 1995. The number of self-managed super fund member accounts has also doubled over the past decade.

In September 2007, changes were made to super legislation which allowed self-managed super funds to borrow money to purchase assets under limited recourse conditions. With more than two thirds of Australians purchasing at least one property and because it is often the highest-value asset a household possesses, a lack of regulation is hard to comprehend. As noted by the Reserve Bank in its September 2013 Financial Stability Review, promotion of self-managed superannuation funds including their use for geared property investment has increased in recent times and the central bank has flagged its intentions to keep a close eye on this market. It believes it represents a vehicle for potentially speculative demand for property which has not existed in the past.

In July 2010 the federal government welcomed the final report of the Review into the Governance, Efficiency, Structure and Operation of Australia's Superannuation System—
Cooper review. This report found that the self-managed super fund system is largely successful and well-functioning. While significant changes are not required, it noted that there are still a number of noticeable issues which, for the most part, do not directly relate to trustees and members but rather service providers and the wider regulatory framework. The report found that trustees are often dependent on service providers whose current minimum standards of self-managed super fund knowledge are inadequate and that the level and quality of information available is inadequate given its significance. With more than two-thirds of Australians purchasing at least one property, and it often being the highest-value asset a household possesses, the lack of regulation is unbelievable. This is what worries me—mum and dad investors use the equity that they have built up in their family home to make property investment purchases.

How do you become a property investment adviser? It is simple. I will give you an example: I retire and walk out of the Senate. I open an office and I put a sign up, 'John Williams, property investment adviser.' I have no education, no experience, no licence is required, there is no regulatory control over what I do. The scary thing is that someone might say, 'I am about to develop 200 units, John Williams—for every person you tell to invest in my development and they buy a unit I will give you $40,000.' For example, Senator Ketter walks into my office and says, 'Look, I want to buy an investment property, I have a self-managed super fund, what can you advise me on?' 'Oh, Senator Ketter, I have just the thing for you—200 units are being built here with water views, there is a $200,000 deposit and they are $700,000 each—buy one of them.' I have no history of giving advice, I have no education, there is no regulation over me, there is no licence for me to have, there is no regulation to say how much upkeep of my knowledge in the industry I have to do; I just push them into the investment and I get a big kickback from the developer. This is crazy. We have been through financial planning problems, and I can see a Senate inquiry coming up soon to look at this very important issue of property investment advice and make sure this issue is addressed and that people do not get the wrong advice and do not gamble with their savings or their self-managed super funds. It is unacceptable that there are no requirements to be a property investment adviser. The Senate Economics References Committee has to have a good look at this to sort this industry out.

Western Australia: Agriculture

Senator SMITH (Western Australia) (19:41): Spring is a remarkable time in Western Australia. From picnics in Kings Park amongst the wildflowers, watching humpback whales migrating from Albany to Exmouth, experiencing the Shinju Matsuri pearl festival in Broome or cheering the top two teams in the AFL finals, it is a time when the entire state comes alive and basks in the warm weather and vast array of exciting events that mark the end of winter. In WA's Wheatbelt, the end of the winter rains marks the beginning of the nervous wait amongst Australia's largest wheat growers, who know too well that this year's bumper harvest can all too easily be hit with frost or wet weather. It is a feeling shared by WA livestock producers who wonder whether this year's lambing season will be impacted by a weakening dollar or loss of access to lucrative markets.

This is why it was refreshing to see the high levels of optimism expressed by WA farmers at this year's Dowerin GWN7 Machinery Field Days, which I attended along with one of the strongest contingents of Western Australian federal and state Liberal members of parliament.
This positive shift in the outlook for the upcoming season had a huge impact on the success of the event, with a record number of exhibitors and close to 23,000 visitors attending, which was well up on the long-term average for gate numbers. Exhibitors also reported high sales and a significant number of positive inquiries, with many farmers banking on a respectable season for the first time in many years. Many long-term Dowerin patrons reported that the quality of this year's exhibits was the best it has ever been, with the site absolutely packed with new agricultural machinery and related equipment.

However, as anyone who has ever spent time in the bush knows, farmers are a cautious mob, especially in times of pending good fortune. It is a nature brought on by having a million-dollar crop destroyed by hail or having livestock dying from thirst. It is a caution bred from having your market taken away at the swipe of a ministerial pen or being compelled through legislation to export your grain through a single desk. This is a caution that remains despite having a Liberal government that recognises the value and importance of our farmers; a government that supports their industry; a government that is committed to improving their farm gate returns—a government that has delivered three new trade agreements, seven new livestock export markets and 42 technical market access gains; a government that has delivered improved drought concessional loans, tax deductions for new on-farm water facilities and fodder storage assets; and a government that is reducing debt, creating jobs and supporting our farmers.

It is a caution that remains due to the Labor Party and the CFMEU's continued attack on the China free trade agreement, an agreement that will further expand the excellent trading relationship that WA farmers have with China already. It is a caution that remains due to the Labor Party and the Greens' determination to end the live export trade. It is a caution that remains due to the refusal of WA Nationals leader Terry Redman to rule out forming a government with the Labor Party after the next state election in 2017—the same Labor Party that opposes free trade, live exports, GM canola and oil and gas exploration. WA Nationals leader Terry Redman has made it clear that the WA Nationals are an independent party—indeed of the conservative, centre-right Liberal Party. The former leader, Brendon Grylls, says that he sees the WA Nationals, once again, running as independents at the next federal election—indeed of the coalition; independent of policies that have delivered free trade agreements, supported live exports and deregulated port access for WA's largest grain handler, CBH; independent of policies that havefavoured the rollout of the NBN in rural and regional areas over metropolitan areas and addressed mobile phone black spots in regional WA; and independent of the coalition's National Wild Dog Action Plan, including funding for on-ground control measures, including fencing, to support Western Australian livestock producers.

The WA Nationals' willingness to join with and support the policies of the Australian Labor Party for their own political advantage is the cause of great concern throughout regional Western Australia. WA and regional communities remain cautious. Regional Western Australians deserve political leaders who are open and up front with their policies and will champion their issues. This is why I will continue to work with my federal and state Liberal parliamentary colleagues to realise the bright future our farmers and regional communities deserve.
Western Australia: Australian Football League

Senator JOHNSTON (Western Australia) (19:45): Tonight I rise to pay tribute to AFL CEO Mr Gillon McLachlan and his commissioners for the outstanding work they do in administering our most successful and truly national game.

As a senator for Western Australia, I am delighted by the prospect of a Derby Grand Final in Melbourne, hopefully, at the beginning of October. I am wearing my colours proudly tonight and I hope our team at the West Coast Eagles are working hard for what is, hopefully, two more winning games of football in this final series. But, as we all know, a part of our great game is that anything can happen on the day in terms of winning or losing.

The AFL administration has been through a tough couple of years, and throughout it all they have met every challenge to protect the integrity of the game to ensure its enjoyment by millions of Australians across our great country. Footy is part of the Australian way of life. It is often joked in politics that you cannot hold an election at the end of September because interfering with the viewing of the football finals is practically sacrilegious in our country. Despite our broad and varied sporting interests, there is none more entrenched in Australian culture and our way of life than the great Australian game. It is a game designed by Australians for Australians. It is fast paced, entertaining, a close, skilful contest and, above all else, a joy to watch.

The AFL plays an important role in enabling the sport to thrive. We have had two additional teams join the AFL in the past five years and club memberships across the board are on the rise, with almost 200,000 spectators, often many more, enjoying the game every weekend during the home and away season. This would not have been achieved without good management and hard work. I commend Gil and his team for all that they have achieved. I can see that under his leadership the AFL is going to have an exciting future and will only continue to enjoy greater and greater success.

The recent broadcast rights deal struck by the AFL is a fantastic announcement for football lovers. Greater access to watch our great game is critical to the sport's continued support and importance. In WA the state and federal governments have teamed up to deliver a brand new stadium in 2017 with an increased capacity to allow more Western Australians to watch the game live. Going to a football game is a great Australian experience, and the commitment by the state and federal governments, the West Coast Eagles and the Fremantle Dockers to improve community involvement in the game in WA is a great credit to both clubs.

When I had the privilege of serving our country as defence minister I had immense gratitude to the AFL for the sponsorship of AFL subscriptions that they provided to the Australian Defence Force. This support meant that our fighting men and women serving overseas could still enjoy a game of Aussie Rules whilst recuperating from very hard days in the field. The service of the men and women in our armed forces is often not recognised enough. They give up so much for the defence, security and freedom of our country, and the little things are often what provide the greatest comfort to them whilst on deployment many, many thousands of miles away from home. The ability to offer live streaming of an AFL game has immeasurable value towards bringing a little piece of home to our people in their bases. I thank the AFL very sincerely for this.
It is with a little sadness that I rally behind the finals campaign of my team, the West Coast Eagles. I know that my great friend Don Randall, the former federal member for Canning, is looking down on them urging them on to victory. Don and I often spoke of the great ability football had to bring people together. It is a great game that embodies the Australian spirit. It is not an easy game—it involves four long quarters that require incredible fitness, skill and determination in playing to win.

Finally, for many of us the Western Australian teams are receiving the respect they deserve from the east coast, particularly from those in Victoria, the proud home of Australian Rules football. This is a great achievement for the WA teams, given their travel schedules. The prospect of not one, but two WA preliminary finals at Subiaco in a fortnight's time had, until now, been nothing more or less than a pipedream. I cannot wait to see this repeated at the new Burswood Stadium in Perth in the future. This is also a fantastic send off for Subiaco Oval, which has served Western Australian football for very many years. We all have fond memories of watching, firstly, the WANFL, then the WAFL and now the AFL at Subiaco. In my case, it all began when I was about nine years old in the early sixties.

The Eagles have had a remarkable season this year, ascending from discounted cellar dwellers to premiership favourites. The Eagles have surprised everybody with their ability to deal with and cover serious long-term injuries in defence and have shown they are a champion team, not a team of champions. I am conscious of the fact that the West Coast Eagles is a very professional organisation that prepares for success and has a plan to rise up in the competition. I am not surprised personally, but I understand others might be. I pay tribute to the managerial skill of CEO Trevor Nesbitt and his talented board, to our senior coach Adam Simpson and to former coach John Wosfold. My congratulations to them on laying the foundation stones and for conducting the team in a most magnificent manner. I should also say, of course, that our foreign minister, the Hon. Julie Bishop, the member for Curtin, was formerly on the board, and what a great job she did on the board of this great club.

The club's success has not, on that basis, all been on the field. We have seen players improve across the board. For example, Brad Sheppard has found his niche as an intercept-marking defender. Jeremy McGovern has surprised everyone with his maturity and poise holding down a key position in defence. Elliot Yeo, recruited from Brisbane, and former Hawthorn premiership player Xavier Ellis have been great additions and have added versatility to the side. They are all led by an outstanding captain in Shannon Hurn.

The Eagles' membership has grown this year to over 60,000 members at last count. This is a great credit, as I have said, to the club, the coaches, the players and the management and the great work they do in the Western Australian community.

With a week off to rest up, next week will see the team at full strength with the return of Brownlow medallist Matt Priddis, who I had the pleasure of meeting personally earlier this year in parliament. We will also have back our star midfielder Chris Masten. It is a long trip from WA across the Nullarbor to the eastern states. This is a trip both our teams have to make regularly throughout the season. It is not an easy task to regularly cross the country but the WA teams do it week about for 23 weeks of the year. I and all WA footy fans are thrilled with the unprecedented WA finish of first and second with four home finals in Perth. This result is not only great for the national game but also is expected to contribute an additional $30
million to the WA economy. I can only hope that it is regularly repeated! But seriously, it really is a great tribute to the strength of the game in WA.

The power of football is that it is the great equaliser. No matter your background, experience or even athletic ability, anyone can enjoy a kick of the footy with his mates. The AFL is doing a tremendous job in community engagement through programs such as Auskick. The community engagement programs through the individual team clubs is a great credit to Mr McLachlan and his board of commissioners. In my home state of Western Australia, in the electorates of Swan and Canning, Gerard Neesham has done phenomenal work at the Clontarf school working with Indigenous youth and using football to inspire sporting and educational achievement. The success of that program is due to hard work, determination and a love of our national game, all of which Gerard exemplifies.

We have role models like Nic Naitanui. There is nothing but admiration for the success, skill and commitment that that young man demonstrates when playing the game. He is a role model both on and off the field. I commend the Eagles for the club culture that has encouraged their players to fulfil that important role. I would like to acknowledge the support that has been offered to Nic by the club and his fellow players. It is great to see them rallying behind him in this difficult time of loss. Nic has handled the recent loss of his mother with grace, dignity and a great strength for which he should be commended. It is not easy to lose a parent, especially with the added media scrutiny that football brings to him every day because he is such a star. Nic is a real credit to himself and his family for the way he has honoured his mother and the way he plays the game. My club has in recent years had to address a number of challenges. I know I speak on behalf of all of our supporters when I congratulate the club on the professional and determined way it has met those challenges. I conclude by congratulating the West Coast Eagles on a wonderful season so far and wishing them the very best of good luck for the next two crucial and important games.

**National Disability Insurance Scheme**

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (19:55): I rise to talk about one of the progressive initiatives of the former Labor government of which I am most proud. That triumph is the National Disability Employment Scheme. This scheme is already providing people with a disability and their families with personalised assistance and control over the assistance that they receive.

In 2009, the former Labor government recognised an urgent need for reform of disability services. We then tasked the Productivity Commission with thoroughly scrutinising the system and proposing improvements. The resulting report was very clear. The Productivity Commission denounced the current disability support system, labelling it 'underfunded, unfair, fragmented and inefficient'. It clearly identified many problems and it clearly laid out the way forward. What Australia needed was a national scheme that would provide insurance cover for Australians with significant and ongoing disability.

The Labor government's disability reform minister, Jenny Macklin, worked tirelessly to lock in the details, get stakeholders on the same page and open up the national conversation to garner vital public support. The end result was not an evolution; it was a revolution. It was a complete reworking of Australian disability services from the ground up. It rightly placed individuals and their families and carers at the centre of decision making. It gave people with a disability the autonomy to make the choices about the services they needed and the
providers they wanted to work with. Choice and control became the central driving philosophy.

My home state of Tasmania has benefited from a trial rollout for 15- to 24-year-olds in 2013. Last week I met with Judy Huett from Tasmanian disability advocacy group SpeakOut Tasmania. Judy told me that the young people who have been on the Tasmanian trial program have reported to her that they feel more independent and more included in their communities than they have ever felt before. I often meet with the mother of a fine young man from Ulverstone on the north-west coast of Tasmania who regularly tells me of the change to her family's life since the NDIS. Her son has a rare condition known as floating harbour syndrome and also autism. Mitchell's life has taken an entire turnaround since he has been part of the NDIS. He has control over what he wants to do with his life, and it has opened up opportunities he never thought could exist for him. He spends every second weekend with a host family. They participate in new adventures with him, helping to broaden his social skills. This time also gives his family a much-needed respite break.

This scheme is changing lives. But I am not here today just to recognise a great initiative of the former Labor government. I am here to shine a light on the government's attempts to interfere in the NDIS and delay its delivery. I am here to sound a bell on the NDIS timetable and demand that the government keep their promise to the Australian people to deliver the full NDIS on time. Before the election, people on all sides of this place recognised the value of this historic plan. We were united in our commitment to a program that would deliver autonomy and dignity to hundreds of thousands of Australians. We recognised that disability could happen to any of us, and thus disability insurance should be available to all of us.

But, as with so many things in this place, things started to look very different after the election. Those opposite started to talk down talk down the NDIS, which they had strongly supported before the election. We started to hear murmurings about the burdensome cost of the NDIS. Within a few months of gaining power, the coalition government's politically motivated Commission of Audit recommended that the NDIS rollout be slowed down by three years. It talked about the 'ambitious' rollout schedule and the need to implement it in a 'fiscally sustainable' manner. Then we started to hear public rumblings from government members about the funding for this scheme. Mr Scott Morrison called into question the financial sustainability of the NDIS. He even had the gall to say that the government's vicious welfare cuts were necessary to fund the NDIS. In doing so he completely misrepresented the savings and funding measures that were put in place by the former Labor government to support the scheme. The reality is that Labor clearly outlined to the Australian people before the election that the NDIS would be supported by a 0.5 per cent increase in the Medicare levy. At that time, this increase was supported by the then opposition. We also made sensible budget savings to put towards the program, including a $6.5 billion saving from means testing the private health insurance rebate. The NDIS is costed and sustainable.

More recently, we have seen Senator Fifield try to weasel out of previous assurances that the NDIS would be delivered on time and in full. When he was asked the question less than a month ago on Sky News he ducked and dived and dodged and weaved, but he would not give a straight answer. The NDIS is not just a line item on the budget balance sheet. It is an investment in a more inclusive, fairer, more productive society where people with a disability have control over the assistance they receive.
First, those opposite talked down the NDIS. Then, recently, they set out to attack the NDIS board, with the unprecedented re-advertising of board jobs with completely changed criteria. In doing so, the Liberals are laying the groundwork to turn their backs on the crucial requirement for the NDIS board to include nominees from each state and to be representative of people with a disability. Instead the advertisement for board positions stipulated that the candidates must have:

... substantial board experience either in a large listed company or a significant government business enterprise.

Why would the government set out to replace members of a high-quality board that has delivered a groundbreaking scheme on time, within budget and with high levels of participant satisfaction? There is no reason. There is just a transparent agenda of sidelining the states, removing board members and stacking the NDIS board with their big business mates.

The Australian Federation of Disability Organisations slammed the move, saying:

The Australian Federation of Disability Organisations (AFDO), and people with disability and family organisations are extremely concerned that the proposed process and timeline to appoint a new Board will undermine the continued good governance of the NDIS.

This is absolutely right. There is no reason to replace a board that has been working well and has effectively shepherded the NDIS over the past three years.

Let's not kid ourselves that Mr Turnbull did not support this petty and vindictive move. In fact, when asked the question about his government's blatantly political board-stacking policy, he said:

I think it's fair to say that the government has had a policy or a practice of, by and large, not reappointing people, with a view to refreshing government boards ... That has certainly been the preference.

Those opposite have a tendency to see investment in social services and support for our fellow human beings as a 'budget drain'. They fail to recognise that it is an investment in our people, our communities and our national productivity.

The government has been dragging its feet on the NDIS from the beginning. It has been confecting problems and putting roadblocks in the way of the full rollout. At the end of last month, Mr Tony Abbott missed a vital deadline to sign the NDIS agreement with the states. This deadline was integral to ensuring that the rollout proceeds without delay. People with disability have waited long enough. Over 400,000 Australians living with a profound and severe impairment and their families are relying on this government to fulfil its promise. The government has plunged these people and their families into uncertainty and created enormous anxiety.

The Turnbull government, as a matter of urgency, needs to stand up and honour its longstanding commitment to deliver the NDIS in full. It does not matter who is at the helm: every single member of this government bears responsibility for the severe trust deficit they have created in the Australian community. They broke their promise that there would be no cuts to health. Now it looks like a rock-solid commitment to deliver the NDIS in full and on time is in grave peril. Mr Turnbull needs to stop dithering on the NDIS, sign the agreement with the states and deliver on the government's promise. People such as Mitchell and his family deserve it.
Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (20:04): Before I commence, I seek leave on behalf of Senator Rachel Siewert, as discussed with Senator Bushby and Senator Colbeck, to table the Dive industry statement in support of marine sanctuaries.

Leave granted.

Senator LUDLAM: I thank the Senate for that. I rise tonight to speak to the most recent report of the Joint Standing Committee on Treaties. I am not a present member of the treaties committee—and I miss it a bit. I want to add my voice of thanks to the members and the secretariat for producing the most recent report on an issue that is very close to my heart, which is that of the uranium sales agreement with India.

It is not often that the Australian Greens would not table a dissent to a report from a government chaired committee, such as the treaties committee, on the subject of a nuclear sales agreement. Instead, Senator Peter Whish-Wilson, who is the Greens representative on the treaties committees—and I thank him and his staff for their work—tabled an additional comment. In other words, we substantially agreed with the unanimous findings of the treaties committee. I note that Labor committee members, including the member for Fremantle, Melissa Parke, also tabled their own additional comment.

This is a profoundly important report. It is yet to be seen whether the new Prime Minister will have a different view to that of his immediate predecessor on the wisdom of selling uranium to a country that has firmly remained outside the global nuclear nonproliferation and disarmament legal architecture—the non-proliferation treaty or NPT. There are huge issues that have been canvassed in this treaties report. It is incumbent on the government to read the report before they recklessly press ahead with a nuclear sales agreement with India. They do not even have to read the fine print. They should read the report itself and read the advice of those, including some quite unusual voices, who gave very strong evidence to the committee.

The reason that we did not fundamentally disagree with the treaties committee findings is that the committee has recommended that sales agreements to India not proceed until a number of very important conditions have been met. I would like to firmly put on the record that the Australian Greens do not believe that this trade should occur at all. The industry is on the way out, and this is something we should not be getting any further into.

Committee recommends that … sales to India only commence when the following conditions are met:

- India has achieved the full separation of civil and military nuclear facilities as verified by the IAEA;
- India has established an independent nuclear regulatory authority under law;
- the Indian nuclear regulator's existing policies and arrangements have been reviewed to ensure its independence;
- the frequency, quality and comprehensiveness of onsite inspections at nuclear facilities have been verified by the IAEA as being best practice standard; and
- the lack of sufficient planning for the decommissioning of nuclear facilities has been rectified.
These are tremendously important concerns, which are thrown into the path of the headlong rush that former Prime Minister Abbott had been engaged in to embark on this most dangerous trade with a country that has remained outside the disarmament and nonproliferation architecture. Not only that but it has a rather uneasy proliferation record, having effectively lied to Canadian authorities in order to design and build its first fleet of nuclear reactors and then immediately embarked on a process of plutonium separation for nuclear weapons.

This is not some kind of abstract cold war calculation. India is engaged in a nuclear weapons arms race with its neighbour Pakistan, with which it has fought several wars since the 1950s. On both sides of that uneasy border, nuclear weapons are occasionally threatened by standing military and political figures from both sides. Yet Australia would propose to sell uranium into that subcontinental nuclear arms race in which nearly two billion people are implicated.

The treaties committee took some unusual evidence from some figures who you would consider would be very much part of the pro-nuclear establishment, such as Dr John Carlson, the former director general of ASNO, the Australian Safeguards and Non-Proliferation Office—somebody who I had significant run-ins with when he occupied that office. I take my hat off to him, because I have not seen language quite as strong as this deployed by somebody like Mr Carlson. He told the committee:

Within the first decade or two there could be tonnes of plutonium derived from Australian uranium that would be well beyond any information available to Australia. The same situation applies to the uranium recovered from reprocessing, most of which could be recycled many times. Without a proper accounting system, once material loses its initial identity, there is no way of knowing where that material goes, or even quantifying it. There is no substitute or "equivalent" for accounting and tracking.

Mr Carlson used to run the Australian government's Safeguards and Non-Proliferation Office.

Another gentleman, Mr Ron Walker, who was the chair of the International Atomic Energy Agency, IAEA, Board of Governors—again not somebody who would make these kinds of comments lightly—wrote to the committee in May of this year and warned that the agreement:

… has a number of loopholes which mean that under the terms of the NCA India could use our uranium in the production of material that could end up in bombs.

ASNO itself, under its current director, the very capable Dr Robert Floyd, has conceded that:

… such a hypothetical situation could occur.

That is Australian uranium being dug out of the ground in central South Australia or in Kakadu in the Northern Territory and being sold into a subcontinental arms race, where regulators, former regulators and former IAEA board of governors members have said: 'Whoa. Do we really want to be fuelling this nuclear arms race?' It is not something that I believe could be supported, but you could argue that, with proper accounting structures within the NPT framework, you could in fact account for Australian obligated nuclear material down to the very small quantities that you need to keep track of to ensure that fissile material is not being separated and making its way into nuclear weapons.

But how about this? K Subrahmanyam, former head of the National Security Advisory Board in India, said the following in 2005:
Given India's uranium ore crunch and the need to build up our nuclear deterrent arsenal as fast as possible, it is to India's advantage to categorise as many power reactors as possible as civilian ones to be re-fuelled by imported uranium and conserve our native uranium fuel for weapons-grade plutonium production.

Clearly, Australian uranium would boost India's nuclear weapons capacity. So—no matter what kind of safeguard agreement you sign, and no matter how carefully you track it down to the grams of separated plutonium and uranium—there is a senior Indian nuclear official saying, 'We are freeing up our domestic sources of uranium for nuclear weapons and we will be importing uranium from countries like Australia to fuel our civilian reactors.' No safeguards agreement in the world is going to protect Australia from being complicit in a nuclear weapons arms race if that is indeed the ambition of the Indian authorities.

So that takes in some of the weapons arguments canvassed in the Joint Standing Committee on Treaties report. The treaties committee was unable to form a view on whether these sales would even be legal under the treaty of Rarotonga. You would have thought that that was a red flag at the outset—that that would be enough to be a show stopper. Instead, there is strong language in the report. I think that being unable to tell if you would be breaching international law around the sale of this material to India should have been a show stopper.

It is probably very little known in Australia just how closely the Indian population have come to suffering a catastrophic meltdown of the sort that we saw at Chernobyl and Fukushima. In 2012, the Indian Comptroller and Auditor-General pointed out that, without substantial reforms to the regulatory regime in India, that was precisely where they were headed. If senators have not heard of the fire at the Narora nuclear power plant in 1993 or the fire at Kakrapar in 1991 and the catastrophic floods in 1994 and the collapse of the dome at the Kaiga nuclear power station in the Western Ghats in Karnataka: if the reactor had been operating when that dome structure had caved in, injuring 14 people, that place would have joined the names that now live on in infamy—Fukushima and Chernobyl; it is only by extraordinary good fortune and bravery of those on site at the time that we have not heard of those places.

This is by no means a green light for yellowcake sales into India. It is, in fact, precisely, the reverse. Prime Minister Malcolm Turnbull will have a lot on his desk in coming days. We would urge him that the one thing that he could do to prevent a further increase in insecurity and instability on the subcontinent is to get behind the extraordinary progress being made by the Indian solar industry and back out of the nuclear industry, which is on its knees.

**Domestic Violence**

**Senator KETTER** (Queensland) (20:14): In the midst of the political drama that we have experienced in the past 24 hours, it is very important to remember that there are many women and children who are tonight terrified in their own homes. Feeling safe at home is a basic human right and one which many of us take for granted.

I rise tonight to draw attention to the national crisis in this country of domestic violence. This is an issue that transcends age, culture, faith, circumstance and socioeconomic status. As journalist Jess Hill wrote in her article for *The Monthly*:

The statistics are now well known: a woman is murdered at least every week, another hospitalised every three hours.
As a man, father, husband and senator, I call on the men of Australia to play their part in being good role models to younger men. Domestic violence is a national emergency. Sixty-two women have died in Australia this year at the hands of a partner or ex-partner. As a father of three daughters, I was mortified by the news last week from my home state of Queensland.

The shocking events in Queensland have once again highlighted the need for urgent action to tackle the scourge of family violence in Australia. There were three horrific events in one week. Tara Brown, a Gold Coast woman, died in hospital last week after her estranged partner allegedly rammed her car off the road and then proceeded to brutally bash her as she lay trapped in the wreckage. The following day, Karina Lock was allegedly shot dead on the Gold Coast by her former husband. A few hours earlier, another Brisbane woman, Zarah Abdi, was allegedly attacked with a machete by an ex-partner. In the last week we have seen the death of two women and a six-year-old.

The statistics are clear: the ABS found that, in 2012, 87 per cent of domestic violence victims were women. I do not believe that we should demonise all men. Men are part of the solution. In 2013 the World Health Organization found that violence against women is a violation of human rights that affects more than one-third of all women, and is a 'global public health problem of epidemic proportions'. Australia's National Research Organisation for Women's Safety notes that, in Australia, domestic violence is the most prevalent form of violence experienced by women, and a woman is more likely to be assaulted in her home by a male partner than anywhere else or by anyone else. It is known that the majority of those who experience domestic violence are women, and such violence affects members of all cultures, ages and socioeconomic groups.

I note that a number of risk factors and at-risk groups have been identified. Key research findings demonstrate that, for example, alcohol and drug use can lead to higher levels of aggression by perpetrators. A study found that between 2000 and 2006, 44 per cent of all intimate partner homicides and 87 per cent of Indigenous intimate partner homicides were alcohol related. I am also very concerned to note that pregnancy is one of the risk factors which may intensify the risk of domestic violence. A quarter of women who experienced partner violence since the age of 15 reported experiencing domestic violence for the first time from a previous partner while pregnant. Separated women are more likely to experience violence than married women, and it is most common for women to experience violence from a male ex-partner.

Young women are more likely to have recently experienced violence than older women. Researchers suggest that inexperience, age differences in relationships and a lack of access to services exacerbate younger women's vulnerability to violence. Indigenous women and their children are more likely to experience violence than any other section of society. When compared to non-Indigenous women, Indigenous women are five times more likely to be homicide victims. Rates of domestic assault reported to police are also more than six times higher for Indigenous women. Also of concern is that women in rural and remote areas have a higher reported incidence of domestic violence than women in metropolitan settings. Those in rural and remote areas who have experienced domestic violence may lack access to services, transport and telecommunications and suffer a lack of anonymity.

This vexed issue requires bipartisan support. It should be above politics. In March Labor called on then Prime Minister Abbott to hold a national crisis summit, bringing together
Commonwealth, state and territory governments, law enforcement, service providers, experts and survivors to urgently agree and implement judicial and service reforms to tackle family violence. Labor previously committed to holding such a summit within 100 days of being elected to form government.

Given the horrific events in Queensland over the past week or so, I want to commend the Queensland Premier, Annastacia Palaszczuk, for announcing earlier this week immediate changes to the way police stations handle individual domestic violence complaints; the fast-tracking of the rollout of 300 body-worn cameras on the Gold Coast; and plans to implement a death review panel. As Dame Quentin Bryce, the chair of the Premier's Implementation Council for Domestic and Family Violence, said over the weekend in Queensland: the first response is absolutely critical. Unfortunately, the police and the criminal justice systems are commonly criticised for not treating domestic violence seriously enough. I am very pleased to see that, in Queensland, domestic violence complaints will now be prioritised. Domestic violence victims will move to the front of the queue. Senior police will be forced to sign off on any complaint, ensuring that women like Tara Brown—who, according to media reports, was turned away by police—do not fall through the cracks.

We need more education. The Queensland Premier is right when she says that the biggest change must be socially borne. If you are out in a pub and someone is not doing the right thing, then call them out on it and say, 'Come on mate—that's not the way you do it.' So I commend the Palaszczuk government for fast-tracking legislation in this area.

I also want to raise a huge challenge for our society, which is the portrayal of women in misogynistic lyrics in popular music. Society's attitudes towards women play a role in the justification of violence against women. The Tasmanian Commissioner of Police, Mr Darren Hine, has said: 'We are all responsible for shifting social norms that blame, excuse, minimise and justify violence against women and their children.' The United Nations Commission on the Status of Women has reported a tremendous increase in the representation of violence against women, particularly sexual violence, in the media.

In conclusion, I would like to urge incoming Prime Minister Turnbull to commit to holding a national crisis summit. I will leave you with this chilling statistic: that, as of 6.30 this evening, police in Australia will have dealt with, on average, 509 domestic violence matters in the course of today. This is unacceptable. Our country is in a crisis, and it needs to be resolved. If anyone listening is experiencing domestic and family violence they should ring the Domestic Violence Hotline on 1800811811. And, if you know someone who is in danger or you are in danger, ring 000.

**Australian Parliamentary Delegation to the Pacific**

**Senator RICE (Victoria) (20:25):** At a time in history when the world has never been more connected, it can sometimes seem that our politics and leaders have never been more disconnected. But, although the greatest challenges threaten to divide us, locally and globally, there has never been more of an opportunity to unite. This was made clear to me on a recent parliamentary delegation visiting the Pacific. On 10 days through Papua New Guinea, Vanuatu and Fiji, our cross-party delegation witnessed firsthand what our neighbours are up against. But underlying the entire trip was a sense of hope—hope that, with decent education, health care and care for the earth, the future is bright.
I want to share just a few of their stories and how what we do in this place impacts every day on their lives and livelihood. We must not forget that this is our corner of the world. Their problems are our problems. And when they benefit, we all benefit—like in Papua New Guinea, a country with which we share an intertwined history and which continues to be our biggest aid recipient.

Visiting the Bomana War Cemetery, where a large number of Australians are buried, was a moving reminder of the incredible efforts of Australian soldiers—supported by PNG locals—in fighting the Japanese forces in World War II. I have pledged to myself to return and walk the whole Kokoda Track.

In the 1980s, PNG's maternal morbidity rates dramatically increased after midwifery training was reduced, and the consequences are being felt around the country. In rural areas, there is little to no access to pre- and post-natal care, leading to tragically high levels of deaths of women and babies in childbirth. With the help of Australian foreign aid, midwifery programs like that at Goroka university have increased the numbers of midwives in PNG, and it is having a powerful impact. The program leaders we met at Goroka were passionate, and so proud of their students and alumni. They have heard that their funding may be discontinued at the end of the year, so they made it clear to us how vital this funding is.

There is an epidemic of sexual and gender based violence in PNG. Two-thirds of PNG women will experience such violence in their lives. But there are some amazing people doing amazing work to tackle the issue through support services and education programs, like Rita Kare, who is supporting a women's economic empowerment program run by a local Goroka organisation called Susu Halvim Susu—sisters helping sisters. With her restaurant and food business, Rita and the Susu Halvim Susu women are helping women establish small businesses and become financially independent.

We met the straight-talking Naomi, who has been working to establish the Goroka Safe Haus. She told us of the essential need to tackle the underlying gender inequality in PNG society, because encouraging women to become financially independent risks making husbands feel that their wives are no longer under their control, making life much less safe.

We also met an inspiring, energetic woman, Selene, who runs a coffee farm with her family. After we were greeted with an impressive 'sing sing', Selene and her husband showed off their farm, which has come about because of a program run by Care International that trains local farmers in best-practice coffee growing. The program has a particular focus on building women's skills and encouraging the treatment of women as equals on the farm. One of the male training participants, Steven, told us it had made him realise that men so often treat women like their wheelbarrows, and how wrong this was. These programs—and these women—are powerful.

We cannot be under the impression that we are immune from these issues. A woman is killed every week in Australia by their partner or ex-partner. We need to share our challenges and successes in the areas of gender based and sexual violence.

Vanuatu is another place where our histories are linked, with the 'blackbirding' of ni-Vanuatu. The Vanuatu National Archives highlight the kidnapping and slavery of people to work in the sugarcane fields in Queensland in the late 1800s. The injustice was compounded a decade or two later when many that had remained, post slavery, were forcibly deported under
the White Australia policy. The connections that managed to remain in Australia between ni-Vanuatu and their home islands remain strong.

In Vanuatu, we visited a fabulous multifaceted youth and community centre called Wan Smolbag. Since it was started by an English couple in 1989, it has grown to employ 120 staff and to provide much needed services for the community—from being a drop-in and education centre for kids and teenagers not attending school to a theatre and drama program, including a theatre group for disabled people, to a sports centre, to running a nutrition program and to a reproductive and sexual health clinic, which in recent months has expanded to treat people suffering after Cyclone Pam. Wan Smolbag is largely funded by foreign aid, including $1 million a year from Australia. It is worth every cent.

The devastation of Cyclone Pam is still palpable in villages across the country. The storm stole family and friends and destroyed their homes. Science tells us that there are going to be more of these storms and they are going to be more intense because of the pollution we keep pumping into the atmosphere. We have a responsibility to take urgent action to reduce the impacts of climate change. Failure to do so will result in more suffering within these communities, and the repair bill will keep going up and up. In the wake of Cyclone Pam, Australia gave millions in aid to help the estimated 132,000 people affected. Can we afford to take action on climate change? We cannot afford not to.

As we moved on to Fiji, we saw the direct benefits of education programs funded by our aid. We visited one particularly impressive school, with passionate teachers, articulate kids and a productive farm, which was funded through the Australian quality education program. Our aid funds things such as the renovation of the dormitory bunks and provisions for kids who have to walk three hours to and from their villages on weekends. These measures have lifted their attendance rates to 96 per cent. Young people from the village tend the school farm and excess produce is sold to the community. With beans, radishes, carrots, lettuce, corn and cassava, the farm also provides the basis of nutritious meals. Prior to the farm being operational, the kids who boarded had to carry their own food to school each week, which usually consisted of lots of cassava and not much else.

We also saw the devastating loss of nature across Fiji, with large areas of cleared and burnt land and waste strewn everywhere. I was struck that the only birds I saw there were Indian mynas, which were in plague proportions. There was plastic waste on every beach, entangled around every mangrove, in every creek and river bed. Electricity was largely diesel generated, and pristine environments were few and far between.

Imagine the opportunities for well-managed recycling programs and for powering communities with energy from the wind and sun. Imagine the possibilities of focusing our foreign aid program on sustainability measures. It would create employment, enable private enterprise, build technical skills, reduce reliance on imported oil and gas, clean up the air and water, and tackle climate change.

Imagine helping these countries change the way their people get around. The roads are clogged, and building more and more of them—like we have—is a costly path to go down that will only worsen the situation. Buses are already widely used. They have the opportunity to replace ageing bus fleets with electric buses. They have the opportunity to revolutionise the way their government, police and support services operate, with a fleet of electric vehicles. It would decrease fuel costs and pollution levels and stop the appalling situation where police
cannot reach victims of family violence in far-flung villages because they cannot afford the fuel. These could be built by Australian suppliers and funded by Australian aid, but they would benefit the local economy and the local people. On the trip, I saw a total of three people on bikes. We could change this by supporting walking and cycling. It would bust congestion and have massive health benefits and benefits to small businesses.

And we could support the rollout of serious broadband—connect every school and health centre, and reap the educational, social and economic benefits, allowing young people, in particular, to engage in the modern society and economy from their home villages. In this way, we could further connect our people.

Yes, there are barriers. The political instability in the region is real, and corruption is always a risk. But it is a manageable risk, and the benefits far outweigh these other considerations. These are our neighbours—only a flight of a couple of hours from Australia. Their cultures are generous, but so are we. We have much to learn from each other. When our friends and neighbours benefit, so do we.

Mantach, Mr Damien

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (20:34): There are still many serious questions that senior Liberals have to answer about the handling of the alleged theft by their former state director in Victoria and Tasmania, Mr Damien Mantach. It is believed that some $1.5 million may have gone missing from the Victorian division of the Liberal Party, discovered after forensic accounting firm PPB Advisory found irregularities in the branch's accounting. According to The Age article from 20 August:
The fraud allegedly included payments to non-existent companies for non-existent services, with money channelled back to family interests.

Party president, Michael Kroger, was quoted in the article as saying he hoped to recover some of the missing funds which had been spent on investments and lifestyle. I understand that the Victorian branch's administrative committee has been preparing a brief of evidence on the matter for Victorian police.

The article also included revelations that there were discrepancies in Mr Mantach's spending on his party credit card from his time as director of the Tasmanian branch of the party, and it was later revealed that he had racked up almost $48,000 in personal expenses on the card.

It is understood that the then president of the Tasmanian branch, Mr Dale Archer, met with the then Leader of the Opposition in the Senate, Senator Abetz, on 5 March 2008 to inform him of the investigation. According to Senator Abetz's account of the meeting, 'no advice was sought or offered' and 'no sum of money was mentioned'. The following day, 6 March, Mr Archer informed the federal director, Mr Brian Loughnane, that Mr Mantach had resigned. According to the Hobart Mercury, Mr Archer said:

Brian Loughnane was informed by me of the full extent of the circumstances surrounding Mr Mantach's departure …

There is a file note that confirms in writing that the federal director was advised of this issue on the 6th of March, 2008.
It is curious. If we believe the accounts of both Mr Archer and Senator Abetz, that means that, within a day, the investigation was completed, the amount of money was determined and Mr Mantach had agreed to resign.

A couple of weeks ago, the party's current Tasmanian President, Mr Geoff Page, held a closed-door meeting with about 60 members to discuss the party's handling of the issue. Mr Page told members at the meeting that a 'sensible decision' was made to 'negotiate' the repayment of the money by Mr Mantach. Until the Victorian revelations came to light, the Tasmanian branch had not disclosed to the Australian Electoral Commission Mr Mantach's repayment of the expenses.

The current Tasmanian Director, Mr Sam McQuestin, filed the request only last month and said that the failure to do so seven years ago was an 'administrative oversight'. It would be easier to believe that the failure to disclose these repayments was an oversight, were it not for the failure to disclose Mr Mantach's dealings to the members of the branch or the broader Tasmanian public. Everyone was kept in the dark.

There are a number of questions for the Tasmanian branch of the Liberal Party to answer over this scandal—and this includes Senator Abetz, who we have heard knew of Mr Mantach's conduct at the time. It also includes the Tasmanian Premier, Will Hodgman, who was, and still is, a member of the party's state executive, which is responsible for the affairs of the party. Firstly, when did Mr Hodgman and other members of the executive first become aware of Mr Mantach's activities and the arrangement for Mr Mantach to pay back the money? Did the party discuss going to the police if Mr Mantach refused to pay the money? Why did the party have to 'negotiate' the payment of the money? Section 234 of the Tasmanian Criminal Code states:

Any person who steals anything is guilty of a crime.

So if money was stolen, repaying the money does not absolve a person of committing the crime. Section 102 of the Criminal Code states:

Any person who solicits, receives, or obtains, or agrees to receive or obtain, any property or benefit of any kind for himself or any other person, as a consideration for any agreement or understanding that he will compound or conceal a crime, or will abstain from, discontinue, or delay a prosecution for a crime, is guilty of a crime.

So I ask: why was the matter involving the Tasmanian branch of the party not reported to the police?

I know that the Tasmanian Leader of the Opposition, Bryan Green, wrote to the Tasmanian Police Commissioner, Darren Hine, asking him to investigate the matter. Tasmania Police advised Mr Green that they would not investigate the matter because, according to Deputy Commissioner Scott Tilyard:

Tasmania Police does not investigate alleged property offences without a complaint from a victim, or a person acting on behalf of a victim.

Given the police will not investigate the matter without a complaint from a victim, it now falls to the Tasmanian branch of the Liberal Party to answer on behalf of their members the question: will they now refer this alleged crime to the police, albeit seven years too late?

The Federal Director of the Liberal Party, Mr Brian Loughnane, also has questions to answer. I understand that Mr Loughnane was part of the selection panel that appointed Mr
Mantach to the position of director in Victoria. The other panellists were Mr Tony Nutt—former Chief of Staff to Prime Minister John Howard and current New South Wales Party Director—then Victorian Premier Ted Baillieu and his Chief of Staff, Mr Michael Kapel. We know that Mr Archer claims to have informed Mr Loughnane of Mr Mantach's resignation. So I ask: did Mr Loughnane inform any of the other panellists about the nature of Mr Mantach's departure as director of the Tasmanian branch? Did they, along with Mr Loughnane, appoint Mr Mantach to the position of Victorian Director of the Liberal Party knowing the circumstances of his resignation as director of the Tasmanian branch? I am also curious to know what the former Prime Minister, Mr Abbott, knew of Mr Mantach's dealings.

In March 2013, tape recordings revealed that Mr Nutt and Mr Mantach offered cash, accommodation and employment assistance to former staffer Tristan Weston, after he was forced to resign when his role in a plot to undermine former police commissioner Simon Overland was made public. At the time, Mr Abbott gave Mr Mantach his support. He said: 'I know Damien Mantach well. He is a person of integrity. So let's see where this investigation goes. He has my confidence.' So Mr Abbott was claiming at that time to know Mr Mantach well. I wonder, did he know of Mr Mantach's conduct in Victoria and Tasmania? And why did he consider Mr Mantach to be a 'person of integrity'?

If just one of the many people in the Liberal Party who knew about Mr Mantach's conduct in Tasmania had come forward and reported the matter to police, it is possible the much larger alleged crime in Victoria could have been avoided. Given that public funding of political parties is available in Victoria, this is not just members' money we are talking about—although the members clearly have a right to be angry about this. It also involves public money, and the Australian public have a right to answers.

In this place we hear a lot from the other side about union thugs, but when it comes to issues of crime in their own midst, they do not care to report them or to get the police involved. It is high time that much more white collar crime was brought to the fore. This whole murky affair is either a monumental stuff up—a case of mismanagement by those in the hierarchy of the Tasmanian, Victorian and federal divisions of the Liberal Party—or, even worse, it is a cover up and conspiracy. Either way, those who had knowledge of this scandal need to come clean and tell Liberal Party members and the Australian public exactly what they knew and when. Because what we have heard so far, as Mr Hockey would put it, simply does not pass the 'sniff test'.

**Adult Literacy**

**Senator XENOPHON** (South Australia) (20:43): Tonight I want to speak about a problem that is holding back millions of Australians and holding back our nation as a whole. Today no doubt many of us have been reading the headlines and media stories and opinion polls following the change in leadership in the government. But, disturbingly, a large segment of our population struggle to read at all. Being able to read and write becomes second nature. But those of us who were not so lucky face a life of just getting by—hiding their limited literacy from society and not being able to meet their potential at work—if, indeed, they find work at all.

Tonight I want to talk about these Australians, what they struggle with, how Australia is performing in terms of adult literacy and what needs to be done urgently to improve it. I am
sorry to say that this government, since coming to office, has cut funding to adult literacy services by tens of millions of dollars. This is both cruel and counterproductive and I hope a Turnbull government will have a change of heart in this area. Because adult illiteracy is much more than an education or a social services issue. Being able to read and write should, in one of the wealthiest countries in the world, be a fundamental human right. And not being able to read or write properly is a silent break on Australia's economic performance. Improving literacy is an economic and productivity imperative. It is a no brainer for Australia right now.

The National Skills Strategy for Adults in 2012 estimated that an improvement of just one per cent in the level of adult literacy would lead to a 2½ per cent increase in labour productivity. A modest investment in the tens of millions of dollars could unleash billions of dollars of increased productivity. That is a huge economic dividend, and the social benefits of such an improvement are priceless. We cannot afford to not improve our level of adult literacy because the signs are getting worse by the day. The latest indicator of our lagging living standards came out this morning with a NATSEM study, commissioned by Anglicare, that showed most Australians will see zero improvements to their standard of living in the next decade. Worryingly, the bottom 20 per cent of earners are expected to go backwards financially.

So how does adult illiteracy affect people's lives and what can be done to turn it around? Former UN Secretary-General Kofi Annan was so right when he said, 'Literacy is a bridge from misery to hope.' I recently met with a champion of adult literacy in my home state of South Australia as well as with those who have worked to improve their own literacy levels. One thing is too common in their stories—adults with limited literacy are often ashamed or embarrassed about it. They do not want anyone to know about it. If it is certain that limited literacy will make your life more difficult, then trying to hide it and cover it up makes life doubly difficult.

One example I have been told about recently is Mick Goss from Tasmania. In fact, I spoke with Mick earlier today and it was great to speak with him. Mick Goss is one man who took the courageous step 'from misery to hope' to address his low literacy. Ten years ago as a 40-year-old single dad of a seven-year-old son, a work-related injury led to him losing his job. Years earlier, as a year 5 student, a teacher had laughed and insulted him for his attempts to read. The experience was gut-wrenching and deeply embarrassing and led to Mick becoming, in his words, 'a nightmare at school', and he left in year 9 with minimal reading and writing. He still winces when he thinks about the incident and will not enter a classroom for any reason because of the painful memory.

Mick had always been good with his hands and found work at a sawmill. After losing his job due to injury he had very few options left. But his efforts at that time to start a dad's playgroup in Launceston led to a remarkable story of self-improvement. Mick soon realised he could not even write out the flyer for his new group, but his ambition to look out for local fathers was soon recognised by Relationships Australia, who offered him a part-time job. There was one catch—he had to agree to go to adult literacy sessions every week. He told me: I was quite embarrassed about not being able to read and write, but I had to do something about it. After hiding for 40 years I started some training through the local Community House and realised—this isn't so hard. When I first started my writing it was like a doctor's scrawl because I was hiding it.
Now Mick writes reports and proposals, and he is expert at writing flyers for the two men's groups he runs. Mick says that men particularly are embarrassed to admit they have difficulty reading and writing.

Mick's is an inspiring story but what Australia needs are hundreds of thousands more stories like Mick's. The recent survey by the Programme for International Assessment of Adult Competencies, PIAAC, found that one in eight Australians, or 12.6 per cent, have 'very poor' literacy skills. Taken as a fraction of Australia's working-age population of 10,400,000 people, that means that about 1.3 million working-age Australians have very poor literacy skills. An additional one in three Australians are estimated to have literacy skills which made them 'vulnerable to unemployment and social exclusion'. That is another 3.4 million working-age Australians at risk due to poor literacy. That is close to five million Australian adults with below-par literacy skills.

In Adelaide I recently met with a passionate advocate, a man with 40 years' experience in education and an expert in adult education. His name is Paul Mulroney. He works at an adult community centre in adult education and is also the vice president of Adult Learning Australia. Paul told me that adults who do not meet minimum functional literacy levels fall into two categories—those who grew up here in Australia and did not receive adequate education, and those who came here as migrants and do not have adequate English literacy. Paul also told me that both groups face big limitations socially and in finding and keeping employment. Paul works with these men and women and knows their challenges firsthand. They just get by—many of them are adept at getting by without attracting attention to themselves. No-one wants to be known as having poor literacy.

Paul told me there were two keys to reducing adult illiteracy. The first is what the government can do. The second is what the person can do for themselves. Firstly, we must have adequately funded national programs in the workplace and through community groups that deliver effective tutoring and teaching services to adults. I will speak more about this and the cuts made by the current government a bit later. Secondly, and more subtly, adults with low literacy have to want to address the issue. They have to be given the opportunity, the time and the space to decide to improve their literacy skills.

Adult illiteracy has to come out of the shadows—destigmatised and demystified. Programs to tackle adult illiteracy have been around for decades, but amazingly they have been defunded by the current government since the election. In the 2014-15 Mid-year Economic and Fiscal Outlook, MYEFO, the government announced a cut to one of its major national funding streams for adult literacy improvement—the Skills for Education and Employment program, SEE for short. The government will save $44 million over three years but as a result, according to statements at additional estimates, 3,000 fewer adults will receive literacy and numeracy programs. But it does not end there. From this year, the government abolished the Workplace English Language and Literacy program, or WELL. This program has been going since 1991, working with more than 10,000 adults a year, improving their literacy at work and so improving their productivity and capacity. The WELL program is no more and 10,000 Australians will be worse off for it on an annual basis—but we will all be worse off as a nation.
The government has also gutted the funding of the Adult English Migrant Program, AMEP, which was originally launched way back in 1948. The government has only committed to the current year's funding of $14.5 million, with no more money budgeted in the forward estimates. That is unacceptable. Any government committed to raising our productivity by giving people the skills and know-how to be 'lifters, not leaners' must be putting more funds into adult learning, not less. And it is a false economy. Whatever savings the government makes will be dwarfed by the improvement in national productivity we miss out on due to the cuts. Simply put, low literacy holds back men and women at work, and everyone loses as a result. I implore the Turnbull government to treat this issue as a national priority with a great degree of urgency for the sake of millions of Australians, for their dignity and to unlock their true potential.

**Employment**

**Senator O'NEILL** (New South Wales) (20:52): I echo the sentiments that were just expressed by Senator Xenophon. In fact, they relate quite closely to the comments that I want to make this evening, about a piece of legislation that, happily, was rejected by the Senate last week—that is, the Social Services Legislation Amendment (Youth Unemployment and Other Measures) Bill. I take this opportunity to speak to the nature of the government under Mr Abbott, sanctioned by then senior minister Mr Turnbull, and articulate their miserly vision of Australia that have seen implemented over the last two years, and why we should not expect much difference going forward.

Youth unemployment in Australia is at levels not seen since the mid-1990s, and that has happened on the Abbott-Turnbull government's watch. Of the almost 800,000 Australians who are unemployed, over 284,000 are young people—young people searching for work. At no stage during the global financial crisis was youth unemployment as high as it is today under the Abbott-Turnbull government. During the past 12 months, the average rate of unemployed young people looking for full-time work has been assessed as being 15.7 per cent for 15- to 24-year-olds and 28.7 per cent for 15- to 19-year-olds. Youth unemployment on the Central Coast is, sadly, close to 15 per cent, and in the Hunter region, just a little further north up the M1, it is 20 per cent, the highest in the state of New South Wales.

What was the Abbott-Turnbull government's response to the genuinely damaging and life-changing problem of unemployment, which scars people and damages communities? It was to come into this place and the other place with a social services bill that attempted, yet again, to prevent young people from having access to essential services and a small amount of money to enable them to live, to feed themselves, to travel legally on public transport, to seek work, to make their car payments, to honour their commitment to their landlord if they are renting, to pay the part of the rent they might be responsible for in their family. The government—Mr Abbott, sanctioned by his entire frontbench and everyone who sits on the other side of this chamber—were happy to see young people cast on the scrap heap, in many cases at the very beginning of their adult lives, for one entire month, with nothing, no resources of any kind. That is the shameful reality of what Mr Abbott and Mr Turnbull and their team stand for.

We see it manifested in many programs. Take the Work for the Dole program. The government argue that this is designed to provide young people with new skills that, they say, help the transition into work. But the evidence does not show any such thing. In my discussions with young people on the Central Coast of New South Wales, they suggest that
Work for the Dole absolutely fails them. It does not deliver any of the claimed advantages that we hear spoken about in this place, because it does not actually prepare young people for work and entering the workforce—not the genuine workforce. It rarely allows those involved the education and training that would enable them to become proficient in new areas and to develop new skills that they need in a genuine workplace. Rather, what we have on the coast is the revelation of Work for the Dole as a program in which people find themselves doing a variety of menial, unskilled tasks, often in a work environment—nature—that bears absolutely no relation to their existing knowledge or enthusiasm, and does not meet any of the tests for developing competent workplace capacities.

I am really mindful of the illusion that this government tries to create. When Mr Abbott announced the funding for the Work for the Dole program on the Central Coast, he made sure that the television images that evening would show him once again adorned in a bright shirt in a workplace with lathes and other high-tech equipment around him so that people would think the Work for the Dole program was actually going to lead young people to that kind of workplace. But the reality on the Central Coast is that young people, as well as older people, who are called to participate in the Work for the Dole program are walking along coastal tracks, pulling weeds. In a sophisticated, knowledge economy in the 21st century, this backward way is the government's signature program for getting young people into work. It is an embarrassment and it is certainly not supported by any articulated policy.

What drives the Work for the Dole program is politics, not carefully thought through, evidence based policy. Policy programs such as those the Abbott-Turnbull government have on offer has very little, if anything, to do with the availability or creation of secure employment. Work for the Dole is not structured around formal skill development that would make a tangible difference to the likelihood of securing employment. It is unfortunate that programs such as this are allowed to continue when they only pretend to offer solutions to these really critical problems that young adults face during periods of unemployment.

This is particularly a problem—and, Madam Acting Deputy President Peris, you would be very mindful of this yourself—in regional, rural and remote settings in Australia. There needs to be an authentic and ethical understanding of the challenges of creating jobs in that context, outside of cities, and people's ability to move their body from where they live to a place where work is available. That is something that this government, previously under Mr Abbott and now under Mr Turnbull, seems incapable of coming to terms with. Instead, we see callous insults hurled at tens of thousands of young Australians who are desperate to get on with their lives, desperate to find paid employment.

One of the suggestions that they make is that young people really do not want to work, that they want a life of being a 'leaner'—that appalling language that has characterised this government and been supported by one and all. That suggestion is absolutely false. It is utterly fatuous, but all too typical of a government that is anxious to wield a big stick but not prepared to work to solve the problems of youth unemployment.

Labor understands that it is our role in this place to develop evidence based policy initiatives and to participate in the legislative program to enable change that will bring about employment for young people—real and authentic opportunities for them to get genuine training and cadetships, to grow their skills and knowledge. We must ensure that they can confidently—with literacy capacity, with social capacity, with emotional capacity—take their
place as citizens who can make constructive contributions as members of our community, not just in their workplace but in the broader community.

Labor believes our role with young people and those seeking employment must be one of support, encouragement and skill development, not a role of abandonment as characterised by this government. It is Labor's view that the mark of a civilised society is that during times of crisis and hardship a fair and just government provides targeted support to those who are exposed to the frustration and misery of unemployment.

I recall, very sadly, the passing of the father of one of my daughter's good friends—in her primary school years. The friend's father was sadly killed in a tragic accident in the family home. He was an employer of young people. That put the entire workplace at risk. All of those young people had responsibilities; they had debts that they needed to pay. Becoming unemployed through no fault of your own is a reality for Australians. This government does not seem to understand that a safety net for those who find themselves unemployed is a fair and ethical thing to do. Rather, they seek to demonise those who are vulnerable. The stories that were told to the Fair Work task force that visited Gosford last Friday reveal just how desperately we need a government with a vision for the country, not this miserly Abbott-Turnbull government and what it has provided so far.

**Motorcycle Safety**

**Senator LEYONHJELM** (New South Wales) (21:02): Today I would like to say: thank you for riding a motorbike. In fact motorcyclists should take a bow. The more people ride motorbikes, the more the rest of the community benefits. And I am pleased to say that motorcycling is enjoying a sustained surge in popularity. Older people and women are now more likely to become motorcyclists. And there is a broader range of motorcycles available, from lower powered scooters to large touring bikes.

In most Australian states motorbike registration has outstripped car registration on a percentage basis in the last five years, growing nationally by 25 per cent. In my state of New South Wales motorcycle registrations have enjoyed a 60 per cent increase. But this growing popularity is largely in spite of state and federal government policies, not because of them. People ride motorbikes to commute, for touring and for trail-riding. Motorcycling offers affordable mobility, helps avoid traffic snarls and acts as stress relief. There is the personal freedom of touring. Then there is the pleasure of just riding; riding a bike anywhere is worth it.

Motorcycling also offers social interaction with others. It is an enjoyable leisure activity and provides the means to share an activity with like-minded friends. For many, the thrill of participating in or being a spectator to motorcycle racing adds further value to their lifestyle. A motorbike is more capable of negotiating heavy traffic than other vehicles, with trip times up to one-third less than cars.

But why do motorcyclists deserve to be thanked? Because motorcycling in our cities significantly eases congestion, on the road and also with parking. This is beneficial to other road users. Motorcycles use less fuel, produce fewer emissions and cause less road wear than other vehicles. Up to five motorbikes can occupy the same parking space as a single car. Another reason is that motorcycle touring is a boon to our regional economy. The average
motorcyclist spends $120 to $140 per night in regional towns, compared to an average $18 spent by grey nomads.

I am among those who deserve to be thanked. I have been riding motorbikes for 40 years. It is a part of my life and gives me great enjoyment. My current bike is a recently acquired BMW S1000R, a 1000cc rocket ship. Living in Australia's biggest city, I particularly like being able to weave my way through the traffic. In the process, I use less fuel, take up less space on the road, share parking spaces with other bikes and cause less wear and tear on the roads.

Given all that, you might think that planning for and encouragement of motorcycling would be high on the agenda of road planners and traffic authorities. You would be wrong. Not only are motorcycle riders invisible to many car drivers; they are also invisible to policymakers. In the 173-page road safety strategy review, just two pages are devoted to motorcycling issues. Even though motorbike use in the Melbourne CBD increased 73 per cent between 2006 and 2014, and even though there are now over three-quarters of a million motorcycles registered nationally, they are ignored in road safety planning.

And when authorities actually pay attention to motorcyclists, they typically begin from the wrong starting point. Instead of encouraging and enhancing the growing trend towards motorcycling, the policymaker mindset is stuck in prohibition and regulation in an attempt to control and curtail motorcycling. Because the consequences of accidents are more serious for motorcyclists, the authorities consider motorcyclists feebleminded and in need of saving from themselves. It is well known that doctors and nurses in hospital emergency departments refer to us motorcyclists as 'organ donors'. They, and others who also never ride a motorcycle, feel entitled to impose restrictions and constraints on motorcycling. And yet motorcyclists know the risks that flow from having an accident. We are adults, we have minds of our own, and we accept those risks. Ask any one of us.

A better attitude to motorcycling, with a more constructive approach by policy makers, would translate into broader recognition and acceptance by the public of the benefits to all road users from motorcycling. The do-gooders and nanny-staters should back off. We encourage the use of public transport as an alternative to commuting by car. We should also acknowledge that motorcycling is a viable means of easing traffic congestion. It is not a nuisance. Road rules and parking provisions should facilitate motorcycling, not inhibit it. The National Road Safety Strategy should do likewise. The Transport and Infrastructure Council, chaired by the minister for infrastructure, is the peak road safety policy forum in the country. I urge the minister to get motorcycling on the agenda for the sake of all road users in Australia. And it is high time that police, engineers and road safety experts stopped making life hard for motorcyclists. The three-quarters of a million Australians who choose to ride a motorbike deserve better.

Girl Guides

Senator MOORE (Queensland) (21:08): Yesterday Girl Guides came to parliament. While there were significant numbers of Girl Guide biscuits, there were neither woggles nor campfires present. What we did have were strong women of all ages who came to talk about what guiding meant to them and what they hoped Girl Guides would provide for many young women in our country and across the world. For the last two years, Australian Girl Guides have been doing a national review of what guiding means to our community and also how
they hope guiding will continue into the 21st and further centuries. Yesterday we had the opportunity to meet with women who were proud of being Girl Guides. Representatives from across Australia came, including Chief Commissioner Robinette Emonson and CEO Kit McMahon. They wanted to talk about the achievements of girl guides, and about how they were working with young women to look at their needs and challenge them into the future.

As we know, the history of Girl Guides goes back to 1909, when it is said that at the first Boy Scout rally Robert Baden-Powell, the founder of the Boy Scouts, was surprised when several girls turned up and insisted that they wanted to be girl scouts. He agreed, which is good, and in 1910 the World Association of Girl Guides was officially formed. From as early as 1909 here in Australia girls were forming their own groups and by 1920 Girl Guide associations had been formed in six states. In 1926 the state associations federated and formed a national organisation—Australian Girl Guides. Since that time, over a million Australian women have been or are still Girl Guides. And once a Girl Guide, always a Girl Guide. Girl Guides Australia is a founding member of the World Association of Girl Guides and Girl Scouts—WAGGS. They are part of a worldwide movement of some 10 million members in 146 countries. This is indeed an international movement for women.

Girl Guides Australia see the role of non-formal education and lifelong learning as critical for the empowerment of girls and as a way of contributing to meeting our national and international development goals. They are working with colleagues in Australia and across the world to roll out nonformal education programs, including three programs I want to talk about this evening—Guide Your Money, Free Being Me and Voices Against Violence. At the core of these programs is the real empowerment of girls so that they have the knowledge that they can achieve in our community. Dedicated Girl Guides Australia volunteers are instrumental in developing programs and inspiring girls and young women to be their best.

The Guide Your Money—Girl Guides Australia Financial Literacy Strategy was developed with international help so that we have the same kinds of skills available, and it was based on a concern about economic disadvantage that women face. We know in Australia, as we talked about last week, that the current gender pay gap sits at 17.9 per cent. We believe, along with the Girl Guides, that we should be working towards achieving the economic empowerment of women and girls through the Guide Your Money program, which aims to equip members with financial literacy skills and build real financial capability. It aims to empower girls and young women with practical learning on personal finance so that they can make better decisions for themselves for an independent secure financial future. The Girl Guides movement partners with lead organisational expertise in financial literacy, and this translates key content to the Girl Guide method for sustainable outcomes. The program is designed to support transformational change in the lives of girls and young women and to provide access to understanding the value of positive personal money management, and to develop a financial literacy program that covers key life stages of girls and young women and through that to provide guide leaders access to financial literacy development.

The Girl Guides structure aims to work at young women across many ages, so the target audience for this program is structured into two groups—girls from 7 to 12 are given positive role models on saving and using money, and they are introduced to the basics of budgeting and making better money decisions; young women, the older guides aged 18 to 30, are empowered to take control of their financial future. Skills will be developed via face-to-face
learning, online content and practical application. The strategy will also develop capacity among adults who lead the young girls and peer educators—you are never too old to learn about effective money management.

This program is planned to work through the non-formal learning program, creating life skills in girls and young women by raising awareness of informed financial decisions and the importance of making informed financial decisions. It empowers girls and young women to know where they can seek information and to be mindful about the role of money and finance in their lives, with the intent of making women independent. The idea is to develop positive mindsets, knowledge and understanding of how financial literacy can empower their future and, importantly, to create what is called a 'pause point' in a girl or young woman's life when financial decisions are made so that they can consider how a decision on their own personal finances can contribute to that necessary financial independence. Importantly, this program aims to provide opportunities for girls and young women to take a moment to envision their own financial future and to understand what actions they can take to realise that future.

Another program which I really, really like is called Free Being Me. This program was developed by the World Association of Girl Guides and Girl Scouts and the company Dove to improve the self-esteem of girls across the world, again making sure that young women in Australia are learning and sharing their knowledge with young women across the world. Girl Guides Australia is concerned that 70 per cent of girls in Australia have said that they have body dissatisfaction and 20 per cent of females in Australia have identified an undiagnosed eating disorder. Free Being Me is a program designed to show young people that body confidence and self-esteem come from valuing our bodies, standing up to social pressure and supporting others to become more confident.

Participants in Free Being Me will learn leadership skills and will feel empowered—that word again—to make a difference in their own lives, their local communities and in global communities. The vision of this partnership is a world where girls have sense and confidence about knowing how they can respond to the anxiety caused by appearance-related fear and loathing. The mission is to empower girls to reach their full potential by strengthening their body confidence and esteem.

Again, responding to girls of all ages, the research team has developed two versions of the program: one for seven- to 10-year-olds and the other aimed at 11- to 14-year-olds. This program aims to impact 23,000 girls by March 2016, rolling out the curriculum to approximately 7,500 guides in Australia. Internationally, the plan is that the partnership will see 3.5 million girls taking part in this program. The program is based on a sequence of activities that sets up cognitive dissonance. Research into body confidence programs tells us that it is only through setting up a stage of cognitive dissonance that behaviour towards body confidence and image can be and will be sustainably changed. In this way we build resilient girls with high self-esteem.

The sequence of learning is: discover the image myth and understand how media and society broadly set girls and women up with unrealistic expectations of what beauty really is; understand where the image myth is found and how it affects us; define the cost of the image myth in personal, social and community terms; and understand body talk—the fact that a key part of perpetuating the myth is in the words and phrases that are used to reinforce our sense of self and our wellbeing; and take action from this learning and growing awareness. The
young women and girls participating in the program are asked to spread the word and take
action in their communities. The confidence that they learn can then be shared and we can
break down this fear and anxiety which we know is all too prevalent in our community.

The third program that I want to talk about this evening is Voices against Violence. This
Girl Guides program for children and young people is to stop violence against girls and
women. It seems to me that no group could be more aware of the need to work effectively
with young women than the Girl Guides. Girl Guides Australia is deeply concerned about the
fact that—and we know this awful fact—one Australian woman dies every week from
domestic violence and internationally six out of 10 women will be subject to some form of
domestic violence or abuse in their lifetimes. They realise that a priority area for action is
addressing violence against women systematically as a way of engaging with women and
young girls locally and also having a sense of the international problem.

Voices against Violence is a non-formal education curriculum developed in partnership
with UN Women, again having that sense that this is not just something that impacts in
Australia—it is an international issue, and we can make change here locally. Through
delivery of a non-formal education curriculum, the program supports children and young
people to understand their right to live without violence and discrimination, to identify
different forms of violence and to gain the skills and confidence to speak out and take action
in preventing violence in their own lives and in their communities. Again, there is shared
strength and shared action.

The target audience is divided into different age groups so that the response can be
immediate and skills are built up over a period of time. The age groups are young, middle and
older years, with age-appropriate activities on different forms of violence for each group. In
delivering the Voices against Violence program, Girl Guides Australia again is part of a
global community committed to reaching out to 30 million people in over 100 countries.
Groups of all ages look at the topics, which include gender stereotyping and gender
discrimination, domestic violence, child abuse and sexual bullying. Older groups look at all
topics, such as informed consent, sexual harassment, relationship abuse, sexualisation, female
genital mutilation and forced and early marriage. Again, there is sharing of knowledge. As
you would know, Madam Acting Deputy President Peris, these are the core issues that are
discussed internationally through the UN movement. There is such a wealth of knowledge and
experience that can be learnt and discussed with the young women and girls. The idea is that
people will have the confidence to learn and then be able to self-identify and to say quite
confidently, 'No, this is not right.' They will be part of an ongoing campaign to stop violence.
The curriculum has been developed, naturally, for worldwide use. It can be adapted to
different cultural, social and legal contexts and has already been successfully piloted in 20
countries. After developing the ability to identify and understand gender violence, participants
are encouraged to speak out and take action to stop violence. This they can do so through their
own local campaigns, events or activities with the support of Girl Guides Australia.

The Girl Guides are alive and well and active in our community. While they do have a long
history, they are not necessarily just part of history. The two-year program that has reviewed
Girl Guides in Australia will be used to activate future programs, to ensure that generations to
come will have the challenge of being involved in the movement and to share the knowledge
so that women will be able to be part of the million Australian women who have been part of
Girl Guides up till now. The plan for Girl Guides Australia is that this number will increase not just here but across the world.

**Prime Minister**

**Animal Welfare**

**Senator RHIANNON** (New South Wales) (21:23): We have been told he is a conviction politician with a grown-up approach to policy. The walk, the words and the delivery might be very different from those of the former Prime Minister, Mr Abbott. But the new Prime Minister, Malcom Turnbull, is just another leader of the same Liberal Party that specialises in cruel, discriminatory policies. Mr Turnbull is my local MP. There should be no honeymoon for this new Prime Minister. For the member for Wentworth, the warning bells should ring loud and clear.

The new Prime Minister supported all the hardship measures, all the cuts in the 2014 budget. That was the Hockey-Abbott horror show that attempted to deny the dole to unemployed young people for six months while imposing savage cuts on public education, public health, public broadcasting and pensions. This was the 'no pain, no gain' budget. It was when the career of the not-yet-former Treasurer, Mr Hockey, probably started to go downhill. He clearly misjudged the situation. Remember, this budget—again, one that Mr Turnbull signed off and was actively out there promoting and committing himself to—was one where the former Prime Minister, Mr Abbott, broke many promises. This was also when the former Prime Minister and the current Treasurer were out there telling the business community that it might not be popular but it was the right budget. Again, so much of this unravelled but always Mr Turnbull was there backing it. He backed the $80 billion of cuts to school and hospital funding across our states. It was so severe that conservative premiers in the states took a stand against it—but not Mr Turnbull, who was always loyal to this very cruel budget. Significant structural reform was said to be introduced to address a deficit, but what it was used to do was to sack and end the jobs of many public servants. We saw the very harsh way that played out. Again, this is the 2014 budget that Mr Turnbull has at no time criticised or tried to distance himself from. It is worth remembering that the Abbott government came in on a very clear commitment of no cuts to education, to health, to pensions or to the ABC and SBS. These promises were broken, but the current Prime Minister just went along with it and spoke very strongly on some occasions in support of that very dangerous and destructive budget.

We learned a bit more about where the Prime Minister is at in the two speeches he gave yesterday. Essentially what we heard there was that he is ready to lead a neo-Liberal government. Neo-Liberal policies writ large is what came across. He said:

This will be a thoroughly Liberal government. It will be a thoroughly Liberal government committed to freedom, the individual and the market.

Let us remember what this means for ordinary people's lives. Turnbull will be turning back the clock in so many areas. For working people, for people who are doing it tough and do not have a job, for people in the later stages of life and for people who are sick and disadvantaged in different ways, it is certainly not looking good under a Turnbull government. You do not need to join many dots to reach these conclusions. Mr Turnbull has helped us out. He also gave an example, and the example he gave was the Howard government. He said:
we have a great example of good Cabinet Government, John Howard’s Government most of us served in.

Let us remember what that government did to this country. The Howard government introduced Work Choices. That was debated in this place, in the House of Representatives and across this country and was one of the key reasons why he lost his job. Australians recognised how savage it was, how wrong it was and how it was there to turn back the clock on many of the conditions that Australians had worked so hard for—both fair working conditions on the job and the right of unions of people to collectively organise. And now we have the current Prime Minister harking back to the good old days of the Howard government. Those policies of running down the conditions of working people were a big theme of the Abbott government and, again, something Mr Turnbull has not distanced himself from.

I have noticed that in a number of assessments of Mr Turnbull one of the comments being made is that he could be an even stronger backer of the stringent approach to unions and working people’s rights, because of how close he is to the business community. Big businesses are his big friends. Campaigns for cuts to penalty rates, the China free trade agreement and the political show trial which has the sanitised name of a royal commission against union corruption are not likely to change under a Turnbull-led government. Nothing in his speeches came close to expressing any interest in the lives of ordinary people. This is what we are seeing already from Mr Turnbull, so it does not look good.

The China free trade agreement was something that Mr Turnbull made reference to as soon as he announced that he was ready to challenge the former Prime Minister, Mr Abbott. His emphasis on that gives us an insight. Considering this is so controversial in Australia at the moment, he could have not said anything about it or he could have at least opened up space and said, ‘Maybe we need to relook at this.’ But he was solidly behind this very dangerous so-called free trade agreement. I notice, under the previous Prime Minister, the government even changed the name of it; they were starting to realise how unpopular it was. This is a trade agreement that will destroy Australian jobs and working conditions in this country. But, again, there was no interest from this Prime Minister at all. We know of his commitment to the so-called free trade agreement with China from his failure to speak out about it and his actions over many years. If you go back to 2008 you can see that Mr Turnbull was quite evasive when the Fair Work bill was going through this place. We can easily conclude that he is a Prime Minister who backs cuts to penalty rates, cuts to the minimum wage, cuts to the rights of workers and, effectively, robbing jobs from our community. If you are going to support the free trade agreement with China as it is presently constructed, that is what you are backing.

Mr Turnbull has made no secret that he is a friend of big business. He has failed to stand up for unemployed workers, workers doing it tough, people on pensions and people who are uncertain about what the future holds for them in Australia. I want to particularly mention some of the issues in New South Wales. Yes, Mr Turnbull is the member for Wentworth, but he has been a minister. Surely he could have thought of people doing it tough in New South Wales. I particularly want to mention the Illawarra, where there is a real threat of the Port Kembla steelworks closing down. This Senate has twice passed motions to bring some sanity to policy on this issue. But there has been no interest from Mr Turnbull. Surely, where there are 10,000 jobs at risk in an area where youth unemployment is about 25 per cent and general
unemployment is on the rise, he would have taken some interest. He could have visited there. It is less than an hour and a half from Sydney. We have seen over the years huge job losses in Western Sydney, particularly from the manufacturing sector. Maybe the now Prime Minister has taken an interest, but I certainly could not find any record of it. If he has taken an interest, he would be wise to get mention of it out there, because it is becoming a more and more serious problem in our country.

It does not look good for refugee rights under this Prime Minister. He used the phrase 'restoring the security of our borders' when he was praising the former Prime Minister in one of his speeches yesterday about what the former Prime Minister did for Syrian refugees. There he was, using the phrase 'restoring the security of our borders'. It was typical of the language that we have become used to hearing from Malcolm Turnbull. His language is much more eloquent than the former Prime Minister's, but the intent is still the same. It is a very savage approach—an internationally illegal approach, I would argue. He is effectively saying that Australia will not abide by our international obligation to acknowledge that asylum seekers—however they might come to our country—have the right to come to this country. We have a duty to process them, consider their needs and determine if they are refugees. Again, that was a very informative phrase that Mr Turnbull used.

We hear that Mr Turnbull has promised that he will not reintroduce an emissions trading scheme and that he has effectively signed off on the very inadequate climate change policy of the former Abbott government. For somebody who carved his reputation in his early years in this place around more effective climate change policies, it is not a good sign. Where is his backbone? Where is the commitment on such an important issue when we are getting closer to the important meetings in Paris about this issue?

We know Mr Turnbull is not just a big businessman but a true believer in free market economics—but surely it is time to reassess what free market economics does. Clearly, business has a role in our community. I am not saying it does not, so those opposite should not go down that ridiculous path of misrepresenting what I am saying. But Mr Turnbull is now Prime Minister of the whole country. He is not just there for big business. He is not just continuing the agenda of the previous government but with a more eloquent way of saying it. That is deeply dishonest. That is why I said that the new Prime Minister does not deserve a honeymoon period. This government is continuing with so many of the old policies. The poor, the needy, the unemployed, the disadvantaged, marginalised people, Indigenous people—life is not looking good for so many communities under this Prime Minister. Unemployment is now at a 12-year high. What is going to happen there? It is a real concern in so many areas.

I could not believe it when the Abbott government came up with their plan to deny young unemployed people income for six months. Yes, it has been lowered so that they would only be denied income for one month. But that is no way to assist our young people who are coming out of school to consider their future. As a starting point, the Prime Minister should scrap that, get it off the agenda and start thinking about all Australians irrespective of where they live, how they live and what their plans are for the future.

On another matter, the recent passing of the Biosecurity Bill 2015 in New South Wales has the potential to set a worrying precedent for the criminalisation of whistleblowing by animal activists in Australia. The movers of the New South Wales bill claim that it offers integral biosecurity protections across the state. That may be true; however, hidden in this bill are
shoddy ag-gag provisions that aim to stifle the rights of people—activists and consumers alike—to speak out and learn about animal cruelty. Ag-gag laws aim to stop animal advocates investigating industrial scale animal cruelty, by raising penalties against activists who engage in undercover operations. The New South Wales Biosecurity Bill could see animal cruelty whistleblowers hit with a fine of $1.1 million, imprisonment for three years or both. How extreme is that?

Undercover operations led by animal activists are integral to letting the community learn about the realities of life for animals on factory farms. People say to me, 'But they're breaking the law, Lee. That's wrong.' They would not need to take those actions and they would not need to go into the farms and, at times, break the law if we had adequate animal welfare laws that were enforced. That is why we need to ensure that these ag-gag provisions do not come in. Right now, it is the courageous actions of many animal welfare activists that ensure that animal welfare issues are addressed. They are doing the jobs that governments and the various authorities are failing to do. That is why we have to speak out against these ag-gag laws.

If the community cannot learn about cruelty, the potential for the community to speak out to protect the welfare of animals is diminished. If the community does not speak out, there is no incentive for animal welfare reform to take place. Farmers who otherwise may have invested in measures such as giving animals access to the outdoors, larger cages for chickens or nesting materials for sows will lose their incentive, as these reforms will offer little to no return from consumers who are unaware of the harsher conditions on alternative farms that may not have invested in these welfare measures. This law will, therefore, have the potential to slow, stop or reverse animal welfare reform by reducing the ability of activists and consumers to question the suitability of animal production systems. We have seen in recent years the move of consumers away from battery cage eggs and sow stall pork. Consumers care about the standards and welfare of the products they are buying. These laws serve not only to impact on the welfare of animals and those farmers who wish to implement higher welfare standards for their animals but also on the rights of consumers to make choices they deem ethical.

It is not just the arena of intensive food animal production in which whistleblowers will be criminalised under this law. I am sure everybody would remember the Four Corners program that exposed the widespread animal cruelty occurring within the greyhound racing industry in this country. Under this proposed New South Wales legislation, activities such as those carried out by Four Corners and Animals Australia to investigate and uncover live baiting cruelty would have been impossible. The extensive program and all the vision that we saw would not have been possible, and the follow-up, which resulted in much of the cruelty ceasing and in some of those dogs being saved, would not have happened. We would not know about that now if that law was used. Greyhound Racing New South Wales, the independent body charged with overseeing animal welfare in this industry, told a 2014 New South Wales government inquiry that it had no evidence that live animals were being used as bait. Fortunately, we had courageous people go in and get that vision. Four Corners, to their credit, ran that, and there was much follow-up. I repeat this because it is so important: if Four Corners and Animals Australia had not carried out undercover investigations, the public may never have found out about this obscene cruelty. Again, with that law, that could well be the
result in the future. These excessive attempts to criminalise whistleblowing only serve to indicate that maybe there is something to hide. That is why these ag-gag laws are wrong.

**Renewable Energy**

**Senator MADIGAN (Victoria) (21:41):** Firstly, I seek leave to table a document, and it was disclosed to all the whips earlier today.

Leave granted.

**Senator MADIGAN:** Tonight, I speak about corruption and fraud in the power generation industry. The Senate wind turbine inquiry's final report made 15 important recommendations. Tonight, I rise to speak in support the Labor senators' dissenting report's fifth recommendation:

… that state and territory government consider reforming the current system whereby wind farm developers directly retain acoustic consultants to provide advice on post-construction compliance.

Avoiding noise from wind turbines is an expensive bother that does not hold any appeal to wind farm operators. Slowing down turbines increases costs and slows down profits. So I was not surprised to learn that, in the seven years of its controversial operation, the adjustments necessary to ensure Cape Bridgewater wind farm operated in compliance with its planning permit have never been applied. Wind farm operators have found a simple and far less expensive process to game the system: they employ compliant 'experts'.

In 2006, Marshall Day Acoustics, with consultant Christophe Delaire, prepared a preconstruction noise impact assessment for the Cape Bridgewater wind farm. The report predicted that compliance could not be achieved at Cape Bridgewater wind farm without operating 13 of the 29 turbines in reduced operational noise modes. Before it was even built, developers knew this wind farm would operate in breach of permit unless adjustments were made. But Delaire told the committee of inquiry, 'following measurements on site, it was found that noise optimisation was not required.' How did Delaire's 'expert' preconstruction and post-construction reports come to draw such contrasting conclusions? The answer is simple. Pacific Hydro did not noise optimise turbines at Cape Bridgewater, because they knew they would not have to. They only had to commission a post-construction noise report to say the wind farm was compliant. On both occasions, Pacific Hydro got exactly the report they wanted from MDA, but the compliance assessments were not compliant with the standard and neither were the reports.

Questions of multiple reports reaching opposite conclusions were raised at the Portland hearing. During the Cape Bridgewater wind farm's noise monitoring program, measurements were taken every month and monthly noise reports were generated to assess compliance at dwellings. Let us look at a few from house 63. October 2008: 'Wind farm noise levels exceed the New Zealand noise limits'. June 2009: 'The New Zealand limits are significantly exceeded.' July 2009: 'The New Zealand limits are significantly exceeded.' MDA's original reports identified noncompliance at multiple homes and every wind speed. This did not satisfy the client.

On 22 July, MDA reissued revised monthly reports for every house and every month. These reports were to Pacific Hydro's satisfaction but not the permit's. The reissued versions for October and July said, 'There is reasonable correlation between measured noise levels and wind speeds.' References to exceeding the New Zealand limits were erased. Without
incriminating original reports, MDA's final report concluded, 'Noise emissions from the Cape Bridgewater wind farm comply with the New Zealand noise limits at all houses and at all assessed wind speeds.' Pacific Hydro submitted it to the planning minister as 'proof' the Cape Bridgewater wind farm was compliant. But how? MDA combined all the reissued monthly reports and averaged them out for each property. There is nothing in the 1998 New Zealand standard that allows acousticians to find 'average' post-construction noise levels and yet Pacific Hydro told the committee, 'Current noise standards require the average post-construction wind farm noise level.'

There is no tolerance within the standard that would allow a wind farm to casually comply with its noise limits in some months but not others. Condition 13 does not allow the wind farm to occasionally comply with its permitted use. The New Zealand standard is supposed to protect amenity and night-time sleep. Wind farm planning permits are issued with conditions that decision makers expect will protect the communities that host them—in real time.

In February 2009, the panel assessing the Lal Lal wind farm stated:

There is little point in giving permission for a WEF to operate under certain conditions unless compliance with those conditions can and is demonstrated.

It added:

- any exceedance of the limit should be considered as a breach of the condition …

An 'average' noise level means absolutely nothing. That is why the permit requires that when the wind farm is operated it must comply with the New Zealand noise limits at all dwellings and, clearly, this one does not. The Cape Bridgewater wind farm has never been compliant, despite the falsified conclusions drawn by MDA and the claims of its master, Pacific Hydro. A Victorian Planning officer told the committee: 'Studies need to be done in a way which is robust. That is why the peer review of the work is important.' So why wasn't a review of the Cape Bridgewater report commissioned as a matter of due diligence, not to mention consistency?

When ACCIONA gave the minister its report, the minister sent a copy to the EPA, and within a week he had commissioned an independent technical review. He promptly wrote to ACCIONA, describing multiple breaches of permit and expressing his dissatisfaction that compliance had been achieved with the noise monitoring program required by condition 17. He said that the report shows that the operation of the Waubra wind farm does not comply with the noise standard at several dwellings and he was not satisfied in accordance with condition 14 that the operation of the facility complies with the relevant standard. Then he asked ACCIONA to 'noise optimise the turbines'. Delaire from MDA prepared Waubra's wind farm's preconstruction noise report, which predicted noise would exceed the New Zealand limits and would only comply if 50 of its 128 turbines were noise optimised. Same preconstruction formula, same post-construction problems. If not for that pesky peer review, ACCIONA might have got away with it. They had never intended to operate noise optimised turbines in compliance with the limits. Why? ACCIONA had an MDA post-construction noise report that concluded that Waubra wind farm operated in compliance with noise limits without needing to noise optimise any turbines, let alone 50 of them!

The minister wrote to ACCIONA again a year later, stating that the MDA report it submitted showed non-compliance and that testing was not undertaken in accordance with the
New Zealand standard. The minister queried who it was that undertook the assessment and whether this person or people were qualified and experienced to do so. MDA’s website says that Delaire graduated with an engineering diploma in 2002, after beginning with MDA as a work experience student the year before. Delaire has prepared acoustic reports for 50 wind farms. MDA’s website promotes its ’proven record of successful wind farm approvals' and credits Delaire for developing a 'specialty' in wind farm environmental noise assessments.

At the beginning of MDA’s reports there is an extraordinary disclaimer which acknowledges that reports are written to satisfy the client’s brief. It says their reports ‘may not be suitable’ for other uses. MDA’s disclaimer proves they are not fit for purpose as independent compliance documents. MDA is a member firm of the Association of Australian Acoustical Consultants, whose code of professional conduct requires that members avoid making statements that are misleading or unethical and that they endeavour to promote the wellbeing of the community. They must not knowingly omit from any finalised report any information that would materially alter the conclusion that could be drawn from the report.

MDA has clearly failed the community consistently. There is no doubt that MDA’s commercial arrangements with both ACCIONA and Pacific Hydro adversely affected the independence of reports and the legitimacy of conclusions. This example alone shows exactly why we needed an inquiry that examined the regulatory governance of wind farms and why the scrutiny of an independent national wind farm commissioner is essential. There must be arm's length relationships between acousticians and wind farm operators. Independence would put a stop to the practice where false compliance documents allow operators to gain pecuniary advantage.

Local, state and Commonwealth government authorities, departments and agencies have been duped by sham compliance reports. A wind farm that is ‘compliant’ with state laws can receive RECs. A ‘compliant’ wind farm can secure finance, like the $70 million Pacific Hydro swindle from the Clean Energy Finance Corporation. But those who these reports fail most are decent rural people, left suffering the consequences of deception. A shonky noise report can erase away the harm and nuisance it has caused for those living, working and suffering beside excessively noisy industrial machines. Last month I asked the Victorian government to take a good hard look at all the submissions we received—in particular, those from the people duped by the regulatory failures of the Waubra and Cape Bridgewater wind farms. Samantha Stepnell’s submission is No. 470. Melissa Ware's submission is No. 206.

While ACCIONA and Pacific Hydro were busy breaching their permits to maximise their profits, residents were and still are often exposed to horrendously excessive noise. Twenty or more of these same people had sent affidavits to former health minister and current Victorian Premier Daniel Andrews in June 2010. They reported severe sleep disturbances and a series of unexplained adverse health effects that were not present before the wind farms started operating. Local doctors and a sleep specialist confirmed concerns of a correlation.

By December 2010, 11 families around Waubra alone had vacated their homes, citing noise nuisance as the reason. But the Victorian government refused Pyrenees Shire Council’s request for a health impact assessment, citing the NHMRC’s rapid review. That very rapid review found that there was no evidence of adverse effects when planning guidelines were followed. At Waubra, we know that they were not. A simple peer review would have found that they were not followed at Cape Bridgewater either. With callous indifference, the
Victorian government has consistently failed in its duty of care to these people. These people represent the human cost of corporate fraud, regulatory failure and political indifference. These families still have the right to be able to sleep at night, to work safely on their farms and to live in peace and have the quiet enjoyment of their homes. This is as much a human rights issue as it is an environmental one.

The nocebo theory is obliterated by the fact that the noise measured at Waubra and Cape Bridgewater exceeds World Health Organisation recommendations for sleep protection. Sleep deprivation is an indisputable health effect. Even the NHMRC now admits there are probably adverse health impacts for residents living within 1.5 kilometres of a wind turbine.

I have been writing to the AMA since May 2014 about its wind farm position statement, asking why audible noise impacts had not been considered. The AMA has failed to respond, but blindly endorses the disproven nocebo drivel by Chapman and Crichton, stating: The available Australian and international evidence does not support the view that the infrasound or low frequency sound generated by wind farms, as they are currently regulated in Australia, causes adverse health effects on populations residing in their vicinity.

That is because infrasound and low frequency sound from wind farms are not regulated in Australia. Irrespective of what the AMA has been told or wants to admit, exposures to excessive audible noise, low frequency pressure and vibration cause debilitating nuisance, sleep disturbance and compromised health and amenity that reduce quality of life.

So where does that leave those suffering the continuing nuisance at Cape Bridgewater? In submission No. 206, Melissa Ware said she was driven beyond despair and wretchedness. Last year, Pacific Hydro told residents: 'It is our goal to improve your quality of life or at least restore it to what it was before the wind farm was there.' They told me personally: 'We recognise that the wind farm has reduced their quality of life, and we want to help them get it back.' But that was before Steven Cooper's study found that all six residents surveyed are adversely impacted by the operation of the Cape Bridgewater wind farm. Funnily enough, Cooper was instructed not to test compliance. Despite the infamous screeching, thumping, whirring, whistling and siren-like audible sounds produced by the Cape Bridgewater wind farm, special audible characteristics were not assessed in MDA's report. If the five decibel SAC penalty were properly applied, an independent report would identify noncompliance at every dwelling, at every wind speed.

The Waubra and Cape Bridgewater reports were written within months of each other by the same acoustician from the same firm, using the same formula. Perhaps the planning minister has not commissioned a review of Cape Bridgewater's report because he already knows it shows noncompliance. Is this the real reason why the planning minister insists that it is Glenelg Shire's responsibility to enforce noise compliance at Cape Bridgewater, not his? Glenelg Shire cannot enforce compliance without any access to noise reports and the complaints procedure. Only the minister has that information. Condition 13 says compliance must be to the satisfaction of the minister. Council cannot legally exercise that judgement. Condition 13 remains unresolved. Cape Bridgewater wind farm continues to operate at full capacity and maximum noise, without any regulatory authority accepting responsibility for enforcement.

In submission No. 456, Sonia Trist explains how officers from the Victorian planning department admitted noise limits are exceeded at her home, one apologising that: 'The
department adjusts information to obtain the required results.' In June 2014, this retiring officer called me and later sent me an email, blowing the whistle on his department: 'There is so much to convey and I am sorry that I cannot do so now. Department incompetence and indifference is the primary reason for the current situation. I found it hard to find the truth, working inside, so it must be hard for your side.' On 'my side' are those exposed to excessive and harmful, sleep-destroying, audible noise emissions at levels that exceed noise standards and breach permits. Those not on my side include complicit regulators, wilfully blind health bodies and greedy operators who put corporate profits before country people. And also not on my side are crooked acousticians flaunting a fraudulent reporting formula that concludes compliance when there is not.

Notable for their refusal to attend the Senate inquiry and be questioned, the Australian Medical Association were not alone. Others who similarly refused were the authors of the two NHMRC-commissioned literature reviews from Adelaide University and Monash University, and Professor Gary Wittert.

In December 2013, I warned about the culture of noncompliance arising from systemic regulatory failure in Victoria. But that culture of noncompliance, aided, abetted and enabled by recklessly irresponsible reporting and regulatory indifference, will only continue for as long as we tolerate it. This industry demands root-and-branch regulatory reform. Those who have actively and deceptively harmed communities, gamed the planning system, rorted the RET and exposed the CEFC and the private sector to investment risk must be investigated and held to account. I urge the government to swiftly adopt the prudent recommendations of the wind turbine inquiry. We insist that the Labor senators' fifth recommendation is acted upon as a matter of urgency.

**Turnbull Government**

**Royal Commission into Trade Union Governance and Corruption**

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (22:00): We now have a new Prime Minister promising to usher in a new paradigm for political debate in this country. Mr Abbott's poor judgement, unfair policies, outright incompetence and malevolent ideological agenda finally wore down his colleagues. This is a former Prime Minister that used the trappings of office—the resources of the taxpayers—to pursue his own ideological vendettas against the Labor Party and its affiliates for his own political ends. You might think that that was unusual. In fact, I would say to you that it was unusual—because even former Prime Minister John Howard would not publicly support using royal commissions to investigate decisions of previous governments.

In their moment of electoral despair, after being behind Labor in the last 30 Newspolls, the Liberals have resorted to promoting Mr Turnbull into the prime ministership. Never mind the fact that Mr Turnbull has failed to deliver the government's commitments on the National Broadband Network, despite blowing the budget by more than $26 billion—yes, that was a 'b' for billion, not an 'm' for million. Never mind the fact that Mr Turnbull handpicked his own CEO for NBN—a man who, it has now been revealed, oversaw Vodafone while they were in the midst of covering up an illegal phone-hacking scandal. Never mind these facts that speak so strongly to Mr Turnbull's inability to deliver and to his total lack of judgement—this is the person whom the Liberal Party has installed as Prime Minister.
Mr Turnbull has some tough issues to deal with from the get-go. Mr Abbott was politically assassinated last night, and one of the main assassins sits in the chamber—Senator Scott Ryan. He was named on television last night on Sky News. He is loving it. Everyone gets their 15 seconds of fame, Senator Ryan. You were named on Sky television last night. Tonight, despite the fact that Mr Abbott was assassinated, his legacy is a minefield of disastrous decisions that Mr Turnbull must now contend with.

Tonight I want to speak again with regard to the Liberal Party's royal commission—its $80 million Star Chamber charged with persecuting the government's political enemies. Tonight I direct my comments to the Senate, but I hope that Mr Turnbull and his merry band of supporters—many of whom can be found on this side of the building—are also listening. My message to them is that this royal commission is a political witch-hunt. It is a relic of Mr Abbott's failed leadership.

I have to return to Mr Dyson Heydon—the captain's pick of captains' picks, possibly—and all of his royal commission staff. They are now so hopelessly compromised that Mr Turnbull should dismiss them immediately. Failure to do so will ensure that this biased royal commission hangs around Mr Turnbull's neck as testament to his failure of leadership and will show that Dyson Heydon is interested in nothing more than the size of his pay cheque.

Senators will be aware that this is not the first time I have spoken on this issue. The circumstances surrounding this royal commission and the conduct of Dyson Heydon are so outrageous that they cannot be detailed in one single speech. Last week I drew the Senate's attention to the nature of any royal commission's position within our constitutional structure. Despite the pathetically ignorant and misleading claims of those opposite, this royal commission is simply an extension of the executive Liberal-National coalition government. There can be no separation of powers. The royal commissioner was appointed by the Governor-General on the advice of Mr Abbott. Dyson Heydon has been a puppet of the Liberal Party. Through the royal commission he has persecuted the government's political enemies without any regard for fairness.

I also spoke on Dyson Heydon's conduct within the royal commission. I outlined the fact that Dyson Heydon had wilfully ignored any principles of natural justice. Dyson Heydon has ensured that the prejudicial nature of this royal commission has been enshrined in the commission's practice directions. By refusing people the opportunity to defend themselves, to cross-examine witnesses, to interrogate evidence and by holding secret hearings and coaching witnesses, such as the disgraced union leader, Kathy Jackson—by helping to cover up Kathy Jackson's crimes and by rejecting the evidence, which another court found her guilty of—Dyson Heydon has eliminated any opportunity for procedural fairness and justice within this royal commission. All Australians know that this royal commission is a taxpayer funded dirt unit established by Mr Abbott to smear and slander anyone who stands up to his bullying and his backward views. Despite all Australians understanding the prejudicial, biased nature of this royal commission, the arrogant actions of Dyson Heydon put this beyond doubt.

I want to talk tonight on Dyson Heydon's decision to attend a Liberal Party fundraiser and then his attempt to cover it up when his inappropriate association with the Liberals became public. He covered up. We always say in politics: 'It's not the crime that gets you, it's the cover up that gets you.' Dyson Heydon has been caught in a web of his own lies. The revelation that Dyson Heydon agreed to be the keynote speaker at a New South Wales Liberal
Party fundraiser removed any shred of credibility that this royal commission was clinging to—and it was pretty thin by then.

While Heydon claims that he was unaware that the event was a political fundraiser, he admits to receiving multiple pieces of correspondence outlining the event's ties to the Liberal Party. The chair of a Liberal Party lawyer branch invited Heydon to the event on 10 April 2014. The email explicitly explained the relationship between the Liberal Party, the lawyer branch and the event itself. Dyson Heydon knew straight away that it would be absolutely inappropriate for him to attend a party political event. But he did not decline, as he should have. Dyson Heydon knew that his attendance at such an event would blow his cover—his support for the Liberal Party cause would have been clear for all to see.

Mr Heydon's correspondence—never meant to be shared with the public—shows his cynical scheming to deliver the biased outcome on the royal commission and appear at the Liberal Party fundraiser immediately afterwards. He conspired with the Liberal Party representative responsible for organising the event to attend the fundraiser after handing down his findings in the royal commission. He did not say, 'I can't do a fundraiser for the Liberal Party.' He said, 'I can't do it till afterwards.'

So despite Mr Heydon's acknowledgement that his appearance would be inappropriate, he committed to address the event after the royal commission had been completed. So arrogant was Mr Heydon that he supposed he could pass judgement on the political enemies of the Liberal Party and then, having done so, immediately contribute to their fundraising and organisational efforts.

But when concocting his plan, Mr Heydon did not plan for an extension of the royal commission. In October 2014, the Abbott government extended the commission's reporting date from December 2014 to December 2015—overrunning the date for Mr Heydon's planned Liberal Party attendance. Mr Heydon was again contacted by the organiser on 2 March and 4 April 2015—long after he knew that there had been an extension for the whole following 12 months. Despite this and despite knowing that he was still hearing the royal commission, he was too arrogant and too lazy to excuse himself from the Liberal Party event. He just thought, 'No, I can get away with this.' And on 12 June 2015 the organisers of the event, the Liberal Party emailed Mr Heydon the formal invitation—again from the Liberal party branch with the Liberal Party logo emblazoned across the top. The invitation included the fundraising details and even provided advice regarding political donation disclosure laws, and, by Mr Heydon's own admission, his assistant printed this document out and handed it to him.

On four separate occasions of communication, Mr Heydon failed to excuse himself from the Liberal Party event. It was not until 14 August 2015 that Mr Heydon cancelled his attendance. Initially he pleaded that the dog ate his homework—the old dog-ate-my-homework defence. He claims that, despite all the emails and despite the fact that his assistant even printed the invitation out for him to read, he failed to realise the connection between the event and the Liberal Party. What I do not understand is why he declined to speak at first while the royal commission was being held. He said, 'No, let's do it afterwards.' But all of a sudden, a year later, he's saying, 'Oh, I didn't realise it was a Liberal Party fundraiser at all.' The first lie.

Dyson Heydon has a long history of rejecting such pathetic defences, both in court and at the royal commission itself. He would not cop a defence like he gave himself. Mr Heydon
desperately claims that he miraculously decided to cancel his attendance just hours before the media published details regarding his fundraising gig. What a lucky coincidence! He cancelled it before the media got in touch with him.

However, tragically for Dyson Heydon, the cover up was beginning to unravel. Evidence subsequently produced proved that he was tipped off to the media interest via his good friend and loyal foot-soldier, Jeremy Stoljar. Furthermore, the evidence suggests that despite claiming to have publicly released the relevant correspondence, certain details were withheld. Panicked at being caught out, it would seem that Dyson Heydon lied again about his knowledge of the fundraiser. He lied about his knowledge of the media interest and he lied about the relevant correspondence.

In accordance with the accepted process, a number of trade union groups submitted to Dyson Heydon that, through his conduct, he had exhibited an apprehended or apparent bias thus requiring him to recuse himself from the royal commission. The process of a decision maker adjudicating upon an allegation of their own apprehended bias is clearly ridiculous. Even Dyson Heydon acknowledged this in his reasons for decision. I quote:

To some minds, including those of fair-minded lay observers, it might seem strange that a person complaining about the bias of a Royal Commissioner should make application for disqualification not to a court, but to the person accused of bias or apprehended bias. What are the prospects of success in making an application against a Royal Commissioner on that ground, it might be said, when that Commissioner hears the application?

Well, he is certainly right about that. But, as Dyson Heydon goes on to state, this is the legal process for prosecuting such issues.

However, Heydon's capacity for self-reflection ended right there. After appearing for just minutes to arrogantly demise the apprehended bias claim, the royal commissioner released the reasons for his decision. This document deserves to be read by every fair-minded Australian because it outlines his pathetically weak justification to remain as the royal commissioner, despite his obvious biased conduct and lies to cover up his biased conduct.

Heydon argues on a technicality that bias is established upon the proof of prejudgement, rather than predisposition. I promise senators in this chamber that I will come back to that matter. He does not deny that he is predisposed to pursuing and attacking the Liberal Party's political opponents. Heydon goes on to claim that the submissions from the union groupings are 'imprecise'—not in fact but apparently in subjective logic. And then remarkably Dyson Heydon asserts that:

… before disqualification there must be something more than mere party membership or attendance at party functions …

I think joining a party or going to one of their fundraisers could actually, possibly, be construed by a lay person that you have a predisposed view.

Bizarrely, Mr Heydon maintains that, despite the invitation explicitly outlining the fundraising methods—the intended use for the money for Liberal Party political campaigns and the relevant fundraising disclosure laws—this was not a fundraiser. There is an extraordinary, brilliant, legal mind in logic. This is a disingenuous, dishonest and pathetic attempt to defend his biased actions. Even the Liberal Party stopped pretending it was not a fundraiser, but not Dyson Heydon. He clings to his role as a royal commissioner. In order to
do so, he has employed technicalities of language and subjective interpretation of evidence and history.

I agree with Dyson Heydon on one point: he is not fit to pass judgement on his own bias and prejudice. Dyson Heydon’s conduct is clearly in breach of community expectations. Mr Abbott should have acted to resolve this issue but instead he chose to protect his mates. It is now incumbent upon Mr Turnbull to clean up this disgraceful mess.

Senate adjourned at 22:20

DOCUMENTS

Tabling

The following documents were tabled by the Clerk pursuant to statute:

[Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number. An explanatory statement is tabled with an instrument unless otherwise indicated by an asterisk.]


Migration Act 1958—Statements under section 33—1 January to 30 June 2015 [3].


Radiocommunications Licence Conditions (Fixed Receive Licence) Determination 2015 [F2015L01431].

Radiocommunications Licence Conditions (Outpost Licence) Determination 2015 [F2015L01433].


Tabling

The following documents were tabled by the Clerk pursuant to order:

Entity contracts for 2014-15—Letter of advice pursuant to the order of the Senate of 20 June 2001, as amended—Department of Veterans’ Affairs.

Estimates hearings—Unanswered questions on notice—Budget estimates 2015-16—Statement pursuant to the order of the Senate of 25 June 2014—Education and Training portfolio.