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SITTING DAYS—2014

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FORTY-FOURTH PARLIAMENT
FIRST SESSION—SECOND PERIOD

Governor-General
Her Excellency the Hon. Quentin Bryce AC, CVO

Senate Office holders
President—Senator Hon. John Joseph Hogg
Deputy President and Chair of Committees—Senator Stephen Parry
Temporary Chairs of Committees—Senators Cory Bernardi, Thomas Mark Bishop,
Suzanne Kay Boyce, Sean Edwards, David Julian Fawcett, Mark Lionel Furner,
Alexander McEachian Gallacher, Scott Ludlam, Gavin Mark Marshall,
Anne Sowerby Ruston, Dean Anthony Smith, Ursula Mary Stephens, Glenn Sterle and
Peter Stuart Whish-Wilson
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 the 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 Australian Labor Party—Senator the Hon Penny Wong
Deputy Leader of the Australian Labor Party—Senator the Hon Stephen Conroy
Leader of the Australian Greens—Senator Christine Anne Milne
Chief Government Whip—Senator Helen Kroger
Deputy Government Whips—Senators Christopher John Back and David Christopher Bushby
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>State or Territory</th>
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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 H. Coonan, resigned 22.8.11), pursuant to section 15 of the Constitution.

(2) Chosen by the Parliament of Western Australia to fill a casual vacancy (vice J. Adams, died in office 31.3.12), pursuant to section 15 of the Constitution.

(3) Chosen by the Parliament of Tasmania to fill a casual vacancy (vice Hon. N. Sherry, resigned 1.6.12), pursuant to section 15 of the Constitution.

(4) Chosen by the Parliament of Tasmania to fill a casual vacancy (vice Hon. B. Brown, resigned 15.6.12), pursuant to section 15 of the Constitution.

(5) Chosen by the Parliament of South Australia to fill a casual vacancy (vice M. J. Fisher, resigned 15.8.12), pursuant to section 15 of the Constitution.

(6) Chosen by the Parliament of Western Australia to fill a casual vacancy (vice C. Evans, resigned 12.4.13), pursuant to section 15 of the Constitution.

(7) Chosen by the Parliament of Queensland to fill a casual vacancy (vice B. Joyce, resigned 8.8.13), pursuant to section 15 of the Constitution.

(8) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice M. Thistlethwaite, resigned 9.8.13), pursuant to section 15 of the Constitution.

(9) Chosen by the Parliament of Victoria to fill a casual vacancy (vice D. Feeney, resigned 12.8.13), pursuant to section 15 of the Constitution.

(10) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice R. Carr, resigned 24.10.13), pursuant to section 15 of the Constitution.

**PARTY ABBREVIATIONS**


**Heads of Parliamentary Departments**

Clerk of the Senate—R Laing
Clerk of the House of Representatives—D Elder
Secretary, Department of Parliamentary Services—C Mills
Parliamentary Budget Officer—P Bowen
# ABBOTT MINISTRY

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<td><strong>Prime Minister</strong></td>
<td>The Hon Tony Abbott MP</td>
</tr>
<tr>
<td><strong>Minister for Indigenous Affairs</strong></td>
<td>Senator the Hon Nigel Scullion</td>
</tr>
<tr>
<td><strong>Minister Assisting the Prime Minister for the Public Service</strong></td>
<td><strong>Senator the Hon Eric Abetz</strong></td>
</tr>
<tr>
<td><strong>Minister Assisting the Prime Minister for Women</strong></td>
<td>Senator the Hon Michaelia Cash</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td>The Hon Josh Frydenberg MP</td>
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<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td><strong>The Hon Alan Tudge MP</strong></td>
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<tr>
<td><strong>Minister for Infrastructure and Regional Development</strong></td>
<td>The Hon Warren Truss MP</td>
</tr>
<tr>
<td>(Deputy Prime Minister)</td>
<td>The Hon Jamie Briggs MP</td>
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<tr>
<td><strong>Minister for Foreign Affairs</strong></td>
<td>The Hon Julie Bishop MP</td>
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<tr>
<td><strong>Minister for Trade and Investment</strong></td>
<td>The Hon Andrew Robb AO MP</td>
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<tr>
<td><strong>Parliamentary Secretary to the Minister for Foreign Affairs</strong></td>
<td>Senator the Hon Brett Mason</td>
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<tr>
<td><strong>Minister for Employment</strong></td>
<td>Senator the Hon Eric Abetz</td>
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<tr>
<td>(Leader of the Government in the Senate)</td>
<td>The Hon Luke Hartsuyker MP</td>
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<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)</td>
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<tr>
<td>(Deputy Leader of the Government in the Senate)</td>
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<td><strong>Minister for Justice</strong></td>
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<tr>
<td><strong>Treasurer</strong></td>
<td>The Hon Joe Hockey MP</td>
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<tr>
<td><strong>Parliamentary Secretary to the Treasurer</strong></td>
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<td>The Hon Barnaby Joyce MP</td>
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<td>(Leader of the House)</td>
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<tr>
<td>(Manager of Government Business in the Senate)</td>
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<tr>
<td>Minister for Veterans’ Affairs</td>
<td>Senator the Hon Michael Ronaldson</td>
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Wednesday, 5 March 2014

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

BILLS

National Health Amendment (Simplified Price Disclosure) Bill 2013

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator McLUCAS (Queensland) (09:31): This is a bill that implements a change that Labor announced in August last year. It goes to the question of price disclosure for the way that the government purchases pharmaceuticals and the interaction between the manufacturers and pharmacies in our country. Price disclosure started in 2007 under the Howard government. The purpose then was to ensure that the government received price reductions when generic medicines were listed on the PBS schedule. It was further refined and extended in 2010 with an expanded and accelerated price disclosure program, which expanded the types of medicine that were included in schedule and it also reduced the cycle of data collection to 18 months. This bill today reduces the price disclosure cycle from 18 months to 12 months. It reduces the amount of time between when a company advises the price reduction of a drug and when the government starts paying that reduced cost. It is expected that this bill will save $835 million over three years and for that reason, of course, Labor will be supporting it.

In government we used the $1.9 billion that was saved through the measures that we introduced to make investments in health that delivered benefits to all Australians. Labor built more than 25 regional integrated cancer centres through an investment of $656 million—centres that are providing support to Australians in regional areas. Those patients were previously required to travel long distances over a long time to receive their treatment, but now can be provided with great services in regional centres. We invested a record $3.5 billion in medical research from 2008. This provided the record levels of National Health and Medical Research Council grants of $771 million in 2013, supporting over 8,500 researchers at more than 80 hospitals, medical research institutes and universities. The Health and Hospitals Fund also delivered $700 million to build and upgrade medical facilities right across the country, a fund that the coalition did not support in opposition and a fund we are unlikely to see again under this government. Labor's record in health, when in government, was one of reform and investment and one of which we are particularly proud.

With health costs increasing over time it does make sense to implement this change. What is important is to make sure that this money is reinvested into the health system. The shadow minister, Catherine King, in the other place urged the government to make sure that this money—this $835 million—is reinvested into health. The money, we believe, should be reinvested into the Pharmaceutical Benefits Scheme, not used to prop up government coffers. We as Australians can be particularly proud of our Pharmaceutical Benefits Scheme. It is a scheme that has been operating, as we know, for many years now and it is one that is the envy
of the Western world. It is a scheme that provides equitable access to pharmaceuticals in this
country and at the best price possible for a nation of our size and of our population.

We wait with great interest to see what the government will actually do when it comes to
the health portfolio. Minister Dutton has, in our view, very little vision for health other than
finding savings for the Prime Minister. Despite consistently saying and promising not to cut
money from the health budget, the government has already ripped $100 million from the
Victorian Eye and Ear Hospital. We have seen the abolition of the Alcohol and Other Drugs
Council, a body that has existed for over 50 years and has provided good research and advice
to government about how to better manage the scourge of drugs and that misuse of alcohol in
our community. The government has already backflipped on the promise not to close any of
our Medicare Locals. Unfortunately, it has also abolished the expert advisory panel on the
marketing of infant formula. Frankly, this government is not interested in getting accurate
information about these significant aspects of health policy. Then we have seen the debacle of
the pulling down of the health star-rating website, a website designed to provide good
information to consumers and also to food manufacturers about the products that they make
and use.

I acknowledge the view of the Pharmacy Guild, but we need to balance that view with the
need to ensure that we are paying the right price—the right price, and not too much, not too
little—for the pharmaceuticals that are purchased with taxpayers' money. The current
government when in opposition was somewhat disingenuous, in our view, by whispering to
pharmacists that it would not proceed with simplified price disclosure. On coming to
government, it conceded that this policy was good policy, but I daresay it already knew this in
opposition. The policy ensures that taxpayers pay the right price for pharmaceuticals. I urge
the government to ensure that the savings are reinvested into the PBS for the benefit of all
Australians. I can indicate to the chamber that Labor will be supporting this amendment to the
national health legislation.

Senator DI NATALE (Victoria) (09:38): I rise to support this bill. Price disclosure is a
very important and effective mechanism in ensuring that the cost of pharmaceuticals on the
Pharmaceutical Benefits Scheme is kept affordable, both for individuals who access those
drugs and for the health budget. It is a sensible measure and it is an important measure.
Reducing the threshold from 18 months to 12 months makes perfect sense—in fact, some
people would argue that there is no good reason that threshold could not be lowered even
further. This is a very important step in ensuring that continued sustainability of the
Pharmaceutical Benefits Scheme. It is going to save $835 million and what that money does is
to give people access to new drugs, to drugs that would not otherwise be listed and to new
services that otherwise would be unavailable. The Greens certainly support this reform.

The bill does arrive at a time when we are having a fierce debate about the future of
Australia's health system. We heard talk in the lead-up to the election of a budget emergency,
and we saw the establishment of the Commission of Audit who were charged with looking for
inefficient spending and for savings that could be made to the bottom line of the budget. The
Greens have had concerns about the Commission of Audit inquiry, and that is why we moved
to have a Senate probe into the work of the commission. What we have learnt through that
process is that 'everything is on the table', in the words of the commissioner. We have been
told that health is one area where savings must be made. We have had the proposal of a co-
payment to access GP services mooted. We heard the Minister for Health invite an open and public debate on that issue. We heard from the AMA that $400 million has been withdrawn from the nation's public hospital system. We have seen defunding of the Alcohol and Other Drugs Council on the premise that its role is being duplicated by other agencies. We now know that, in fact, many of the functions of that council were stand-alone and have now been lost.

We saw the dismantling of the star rating website on foods. This has been part of a worrying trend of secrecy in this government. One of the concerns is not just that the process for the dismantling of that website was secretive—and there still remain some serious questions about that—but the very act of denying individuals, consumers, ordinary citizens access to information about the food they eat is, at its heart, a very secretive policy position. Surely there is nothing wrong with open, transparent and honest government, in the words of the Prime Minister. That should also apply to ensuring that people have open and honest information about the foods they eat.

We have seen all of those things in the context of a debate in which it has been said that we cannot continue to have the health system that we currently enjoy, that health spending is unsustainable and out of control and that we need to make deep cuts to health. I think that proposition needs to be examined. Firstly, we spend as a proportion of our GDP about nine per cent on health care. That compares very favourably with other nations that have similar levels of economic development. In fact, when we look at the United States' health system, we see a country spending twice what we spend and yet which has much poorer health outcomes and a much less fair health system.

Health spending is projected to increase by a per cent or so over the next decade—from nine per cent to 10 per cent of GDP. But if economic growth is not to serve the health of its citizens then why on earth do we strive for it? The whole point of an economy that is strong and delivers economic growth, surely, should be to ensure that we are able to carry out what is really one of the primary responsibilities of government—that is, delivering good health care to all of its citizens.

Our health system does very well on that front. It is efficient. Most of the increase in spending is because we have new, exciting, life-saving health technologies. That is hardly a crisis. In fact, it is the precise opposite. Most countries around the world strive to have the challenges that we have in health—that is, to fund new technology that will deliver people longer lives, better quality lives and healthier lives. That is not a crisis; that is a wonderful opportunity, and we should be doing everything we can to meet that challenge.

Of course we can look for savings in health, but first let's look elsewhere. We hear about the government's statement that we are now at the end of the era of entitlement—

Senator Xenophon: The age of entitlement.

Senator DI NATALE: the age of entitlement—thank you, Senator Xenophon; how could I forget?—and that corporate welfare is now over. Let us ensure that we match that rhetoric with action. Let us end the huge subsidies that are given to the fossil fuel industry, for example, in an era of catastrophic climate change. Why do we continue to subsidise the mining industry with things like the diesel fuel rebate to the tune of billions of dollars?
Let us look at other areas where large corporations are the beneficiaries of government largesse. We heard the Prime Minister talk about his support of the forestry industry only last night when in my state of Victoria the forestry industry is a basket case. It is propped up by government support, and if it were a private company, it would have been wrapped up many years ago. It is the epitome of corporate welfare and it is an industry that does rely on government handouts.

So let us look at those areas before we start looking at health because most Australians consistently regard health as the most important area of government expenditure. In essence, if a government cannot provide decent health care for its people, cannot give kids a decent education and cannot look after the environment, then I am not sure what we are doing here.

Of course there are some savings to be made in health care. We have talked about this bill, which goes some way to addressing some cost savings through the PBS. There are other potential savings through the PBS. We have heard about the potential for the increased use of generic drugs, for example, and incentives to ensure that people are opting for cheaper generic drugs which are doing exactly the same thing as their branded equivalent. So let us look at providing more incentives in the system to ensure that generic drugs are prescribed at a higher frequency. Let us look at the way we negotiate prices for medicines and examine the potential for reducing the total budget of the PBS by looking at some models overseas and learning from those.

Let us ensure that we do the opposite of what is being proposed through the GP co-payment, which is driving people away from hospitals into primary care. Let us do that rather than doing what is proposed, which is putting a disincentive for people to access their GP. It goes precisely in the opposite direction of all public policy in health care that we have seen over the past few decades. We should be making sure that people are accessing primary care ahead of much more expensive hospital services, and to do anything that compromises that important objective is to raise costs in health.

Let us try and get better coordination of the system. Let us ensure that we have our primary care system, our hospitals and our allied health network working better together, and Medicare Locals provide an opportunity to do that. And let us ensure that we protect Medicare. Some of the changes that have been proposed, such as the GP co-payment and the current initiative to allow private health insurers to insure services delivered through general practice, are some very significant nails in the coffin of Medicare.

We have to do everything we can to protect Medicare, build it up and continue creating more access to it—because we know it is a very effective way of keeping healthcare costs down through a single public insurer and a very fair way of delivering health services—rather than what we are doing at the moment which looks like an attempt to tear up some of the most fundamental pillars of our public health system and Medicare.

We are at a crossroads in health care. We have an opportunity here to protect and build upon one of the world's great health systems. But we are equally in a position where we may start to see some of the most effective tools for delivering health care dismantled as a result of some of the proposals that have been suggested through the Commission of Audit. I am very worried about it. We need only look to the US to see a health system that is based on a user-pays model where there are a number of competing private health insurers delivering the bulk of health services rather than a single public insurer. We only need to look to the US to know
what that leads to. It leads to spiralling health costs, people who are no longer able to afford health care and a two-tiered health system. That is not what the Australian health system was designed to be. It was designed to provide decent health care to everybody, regardless of their ability to pay for it.

Senator XENOPHON (South Australia) (09:50): I want to express my very serious concerns in relation to this bill. Price disclosure is important. It is important for consumers. It is important for transparency. I am very supportive of price disclosure. I believe it is a very important part of managing the PBS, which costs taxpayers some $9 billion each year but is an essential part of our health system. I agree in part with Senator Di Natale that we do not want to go down the US path where they are having a huge debate about Obamacare. It is referred to as 'socialised medicine' when in fact it is not even Medicare-lite, in many respects.

I am deeply concerned about how this policy of price disclosure has been implemented. I believe that the 5,500 community pharmacies in this country have been absolutely dudded by the previous government and unfortunately by this government as well. Last year we saw concerns raised by some pharmacists about price disclosure relating to chemotherapy drugs, because that price reduction was implemented with little or no consultation with or warning to them. The consequences of that were dire, causing great uncertainty and distress to many chemotherapy patients and creating genuine hardship for pharmacies. We heard evidence from some pharmacies in regional Australia that they were basically having to close down their provision of those vital chemotherapy drugs and patients had to go 100 kilometres, 200 kilometres or more away to get them. That was just cruel.

I was very grateful for the work that I did with a number of my colleagues on the Senate committee that I was part of instigating in relation to that. In particular, Senator Dean Smith and Senator Concetta Fierravanti-Wells took a real interest in that. Also, Senator Siewert and Senator Moore were part of that. What was clear from that Senate inquiry was that there needed to be greater consultation. There needed to be a fair system of implementing price disclosure, because you can have all sorts of unintended and cruel consequences if you do not get the policy right.

We are now seeing the same thing happen again, as the price disclosure cycle is shortened from some 18 months to 12 months or even shorter than that. Price disclosure commenced in late 2007 and has been part of the community pharmacy agreement since. However, accelerated price disclosure is not part of the agreement. This legislation is to change this. The Pharmacy Guild, which I have been speaking to in respect of this, would like to go back to the original agreement. And why shouldn't they? A deal was done. That deal should have been stuck to. The previous government changed it. This government is implementing those changes. That is wrong.

Every pharmacist I have spoken to, including representatives from the Pharmacy Guild, have expressed their support for the price disclosure policy. But they have all said that the lack of warning and consultation has not given them time to prepare or plan for an even more significant reduction in their income. Let's put this into perspective. One pharmacist who wrote to me estimated that the shortened time period would have an impact of at least $32,000 per annum on their bottom line. That is in addition to the existing $56,000 per annum reduction from price disclosure. Pharmacy Guild representatives I spoke to just this morning indicate that the income for the average pharmacy could be reduced by around another
$50,000 a year; that is on top of the $50,000 per annum they are already losing. There are about 60,000 people employed in community pharmacies. If you are a pharmacist, you are essentially a small business in difficult economic circumstances and that $50,000 could mean laying off one or two part-time employees—employees you have spent a lot of money training, employees with great skills in dealing with customers who have myriad medical problems. I dread to think of the impact on employment in this sector as a result of this lack of consultation and this sudden and draconian drop in income for community pharmacies.

The pharmacist who wrote to me expecting a $32,000 drop in his income is actually supportive of the policy, but he just wants more warning so that he can prepare his business for change. Community pharmacies play a vital role in our health system. There is no question about that. Senator Di Natale was talking about preventative health, and he is absolutely right: let's stop people getting sick in the first place and stop them ending up in hospital at enormous cost to the community and the additional trauma to themselves. Pharmacists are trying to provide support and advice to members of their community. Relatively recent changes in legislation have given them the ability to write prescriptions for some medication; they also help to reduce the strain on GPs and emergency rooms by providing basic medical advice. I have two cousins who are community pharmacists, and they tell me what it is like to run their business and about their travails. They take great pride in what they do and in training their staff to incredibly high standards in order to provide that service to the community.

While shorter price reduction cycles may save the PBS money in the short term, pushing community pharmacists out of business will only cause this delicate ecosystem of health care to break down. The Pharmacy Guild representative I spoke to a few minutes ago is someone I have great regard for. His information has always been accurate and, unfortunately, I believe his latest information is also accurate. According to him, there are in the order of 5,500 community pharmacies and 10 per cent of them are quite marginal—they are either in receivership or facing serious difficulties in trading. His fear is that, if this government implements this ill-considered policy from the former government, it could push up to 20 per cent of pharmacies over the edge. That is over 1,000 pharmacies. It would mean double the loss of this accelerated process and it would mean that many pharmacies would see $50,000 wiped off their bottom line. They are not saying that they do not want to do it; they just want time to adjust. We are talking about industries around the country that are under enormous pressure, and they just need time to adjust. Even the Productivity Commission has acknowledged that in relation to the manufacturing sector; it is about the transition. That is why this piece of legislation is so wrong—not in respect of the price disclosure but about the transition.

It is worth noting that, while medium annual household income rose 118 per cent between 1991 and 2012, the cost of pharmaceutical products rose by 58 per cent. By comparison, medical and hospital services rose 191 per cent. So, in relative terms, community pharmacies have been given a raw deal. They are the poor cousins of the health system, and their ever-diminishing income is, quite frankly, unsustainable. What will the impact be of up to 1,000 pharmacies closing down through accelerated price disclosure? That is a very real concern to me. What will the impact be on regional communities if their local pharmacy closes down and
residents have to travel another 10, 20, 30 or 50 kilometres down the road to get access to basic medicines?

The purpose of the community pharmacy agreement is to provide community pharmacists with financial certainty over the longer term. Although pharmacists are offering a service, they still have to run a business. They have to stock their pharmacy. They have to pay the rent. They have to train and pay highly skilled staff. A community pharmacy is a type of small business which does not rely just on its skills and advice and business acumen; it is also at the mercy of regulatory changes. Some changes, such as those in this bill, are poorly thought out, and these changes will be poorly implemented because you are not giving community pharmacies enough time to adjust.

The recent changes to price disclosure implementation have undermined certainty. The questions I have for the minister, which must be answered during the committee stages of this bill, are as follows. What consultation has there been with the community pharmacy sector? What are the proposed savings from the extra price disclosure? My understanding is that it is in the order of $149 million a year. If that is the case, what will be the drop in income for average, typical pharmacies—taking into account that some pharmacies are very small, niche businesses which are attached to a medical clinic or a doctor's rooms? Will it be in the order of $50,000 per annum, an accelerated drop in income which could have disastrous consequences for the viability of community pharmacies?

Mr Temporary Chairman Sterle, I know that as a senator for Western Australia you are very familiar with Broome. I do not know how many pharmacies there are in Broome, and I know that you cannot respond because you are in the chair. But I wonder what impact the changes in this bill will have in, for instance, the wonderful town of Broome. I think there might be about three pharmacies in Broome. I wonder whether any of them will be under pressure as a result of the changes in this bill.

So that there is no mistaking that my criticism of the proposals in this bill is bipartisan, I point out that the proposals were announced by the previous government the night before the commencement of caretaker mode prior to the last election. I do not think that that is good enough. In my view it showed a contemptuous—or, at least, a cavalier—disregard for the community pharmacy sector. There is no sense in robbing Peter to pay Paul in trying to minimise the cost of the PBS by putting community pharmacies under further strain. I have stated the figures: annual household income rose 118 per cent from 1991 to 2012, and medical and hospital services costs have risen 191 per cent in the same period; but the cost of pharmaceutical products rose only 58 per cent. Technological advances and generic medicines have of course been important in driving prices down, but this bill will cause a shock to community pharmacies and a sudden drop in their income.

I will later be moving an amendment to this bill to require the government to table a financial impact statement detailing the costs and benefits to the Commonwealth, to approved pharmacists and to consumers if any other day than 1 April or 1 October is prescribed for the bill’s coming into effect. I believe that the date changes in the amendment will encourage further consultation before any further changes are made to the disclosure cycle. While the date changes proposed in the amendment do not address all the concerns of community pharmacists, I believe they would give them greater warning of changes if any were made to the cycle.
Ultimately the amendment is not about stopping price disclosure—and nor should it be—or about increasing the regulatory burden on government or, in a sense, on pharmacists. It is only about ensuring that proper consultation and research take place before the price disclosure cycle in the bill is changed. I do not believe that the amendment will add an unfair burden; instead it is an insurance policy against further strain on a very important part of our health sector.

The changes in this bill are bad news for community pharmacies. Ultimately they will be bad news for consumers if we see more average, typical pharmacies hit the wall or need to shed staff, as I believe they will, in order to cope with a $50,000 drop in income. It will be disastrous. It will mean fewer staff and less expertise when people want assistance with their medication. There is a pharmacy model under which pharmacies run a bit like supermarkets: with very little service. That sort of model concerns me. I think there is a compelling reason for the traditional pharmacy model, under which you get the advice you need from your pharmacist and from highly trained and skilled pharmacy staff so that you take the appropriate medication rather than a mix of medication which could cause adverse effects.

My questions to the government therefore are: what will the actual drop in income be in terms of this accelerated price disclosure? What modelling has the government undertaken of what the potential impact will be on community pharmacies? Has it considered the employment effects on community pharmacies by just bringing forward these changes so suddenly? Does the government concede that in terms of previous community pharmacy agreements this goes outside if not the letter of those community pharmacy agreements, then clearly again against the spirit of those community pharmacy agreements? Has the government considered how many pharmacies are under strain in our current system and has it considered the representations that there could be up to a thousand pharmacies that could be pushed over the edge as a result of these changes? These are fundamental questions; I am hoping that they can be answered in the committee stages of this bill.

**Senator NASH** (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (10:05): I take this opportunity to thank senators for their contribution to this debate, in particular this morning: Senator McLucas, Senator Di Natale and Senator Xenophon. I can assure you that this government understands the very real interest that senators and Australians in general have for the Pharmaceutical Benefits Scheme. Australians rely on the great work done by this country’s network of community pharmacies for access to the medicines they need. We also rely on other groups right across the pharmaceutical supply chain, from the pharmaceutical companies to wholesalers, who all work together with government to deliver timely access to medicines at a cost individuals and the community can afford.

Australians want and expect a world-class health system, and we want it for them. The PBS is a key part of that health system. It is world class and it is a major government investment in the health of Australians, but that investment needs to be sustainable. The PBS currently costs about $9 billion per year. We have heard over past months that there was negative growth in the PBS in 2012-13 compared with the previous year. I am pleased to see the pricing policy introduced by the Howard government in 2007 is working to maintain the system. However, we must not lose sight of the fact that prior to this average growth in the PBS was nine per cent and over the longer term is expected to rise to between four and five per cent annually.
This reflects that we have a growing ageing population with an increasing incidence of chronic disease, and Australians have higher expectations for access to new, innovative and expensive medicines in the future. The bottom line is the PBS will only continue to remain sustainable if we manage it responsibly. This bill is part of that responsible management, particularly in the tight fiscal environment that we face.

The government is taking seriously the future of Australia's budget. In 2007, Labor inherited a $20 billion surplus. In 2013, we inherited a projected $30 billion deficit. At the time this price disclosure measure was announced by the former government in August 2013, the savings of $835 million had already been factored into the budget and forward estimates for the PBS and for the Repatriation Pharmaceutical Benefits Scheme. The current budget situation means we need to proceed with this change. Not implementing simplified price disclosure would require the government to find almost a billion dollars in savings from other programs.

The amendments in this bill will streamline the operation of PBS price disclosure policy. The current arrangements will be simplified, and price disclosure cycles and data collection periods will be shorter. Disclosed prices will be calculated more frequently, and price reductions will apply sooner. This more incremental approach to price changes will deliver savings and better value for money for PBS medicines, whether that is via the amount paid as government subsidies or as prices paid by individuals. It will also mean that the price the government and consumers pay will more closely reflect the market price for PBS medicines.

Price disclosure was introduced by the Howard government in 2007. It was a fundamental reform and is now an established part of supplying and dispensing medicines under the PBS. It is accepted as a fair and equitable pricing mechanism, which fits well with the aims of the PBS, and we remain committed to it. Under price disclosure, the price of a PBS medicine is adjusted to reflect discounting in the market. This approach allows market forces and competition to steer the PBS price rather than the price being set by the government.

The PBS price is reduced to a weighted average rather than the lowest price in the market, and the price is only reduced if the weighted average is at least 10 per cent lower than the PBS price to which it is compared. This approach allows suppliers of PBS medicines, including generic companies, to continue to compete in the market. It leaves room for further discounting and avoids threatening continuity of supply. It protects low-volume, high-need medicines when there is little competition in the market. It also reduces the risk of essential drugs being withdrawn from the Australian market.

All these features are retained under simplified price disclosure. The aim is not to reduce prices below the amount they would have reached under the current arrangements; the aim is to simplify the process and allow PBS prices to be adjusted more quickly. Under simplified price disclosure, the cycles will be 12 months long rather than 18 months. The rolling 12-month cycles will consist of six months of data collection followed by the current six months of price calculations, advance notice of new prices and any dispute resolution which are a feature of the current system. The changes in this bill are also a small step in reducing regulatory burden, because they will reduce complexity in administration for business.

I acknowledge that some sectors have been strongly opposed to the simplified price disclosure changes. I am aware from representations from pharmacists that they are worried these changes will impact on the viability of their businesses. Some are also worried that they
will not be able to provide some add-on services that were being cross-subsidised by the
discounting on PBS medicines. The government has said before that it wants to champion the
viability of companies along the PBS supply chain and to partner with them to pursue the
efficient delivery of health outcomes. The government is also committed to bringing the
budget back under control. We recognise that policies which drive value for money for the
PBS need to capture the benefits of competition and efficiency in ways that build business
confidence along the pharmaceutical supply chain. It is also important the policies do not
unduly impact upon one part of the sector significantly more than others. Price disclosure is
designed to strike a balance for all stakeholders, including government.

Price disclosure was introduced to improve PBS pricing policy and the value achieved for
PBS subsidies. The changes in this bill refine the application of that policy and support that
aim. Simplified price disclosure is not designed to increase the magnitude of reductions to
PBS prices. Rather, it is about translating discounting in the market into PBS prices sooner.
The amendments in the bill will help to ensure that the government and consumers do not pay
higher prices than they should for longer than they should. Implementing simplified price
disclosure will deliver savings for consumers via decreased prescription costs. It will reduce
PBS expenditure for taxpayers and also assist with the listing of new and innovative
medicines. It will also provide greater confidence that multiple-brand medicines are
delivering value for money for the PBS. Again I thank senators for their contribution to the
debate on this bill.

Question agreed to.

Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

Senator XENOPHON (South Australia) (10:13): I have some preliminary questions, just
following up the questions I put in my second reading contribution. Does the government
acknowledge that this accelerated price disclosure was not part of the previous community
pharmacy agreements that the minister

Senator XENOPHON (South Australia) (10:13): I have some preliminary questions, just
following up the questions I put in my second reading contribution. Does the government
acknowledge that this accelerated price disclosure was not part of the previous community
pharmacy agreements that the minister has referred to?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and
Assistant Minister for Health) (10:14): Thank you, Senator Xenophon. I am advised that
accelerated price disclosure was discussed as part of the agreement but simplified price
disclosure is indeed new.

Senator XENOPHON (South Australia) (10:14): I will put it another way. My
understanding from discussions with pharmacists from the Pharmacy Guild is that what is
being proposed now is not what was agreed to previously. Just putting it simply, what is being
done now is not what was part of the deal in previous community pharmacy agreements.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and
Assistant Minister for Health) (10:15): I understand that the time frame has changed but not
the principle.

Senator XENOPHON (South Australia) (10:15): Bingo! If you change the time frame,
that makes all the difference. The complaint of these pharmacists is not about price disclosure
per se but about the fact that they cannot adjust in time. They are having to make significant
adjustments to their businesses, their community pharmacies, because of the price disclosure
being truncated in this way. That is what is causing significant hardship. They are having to change their business models and restructure staffing. These are some of the issues.

The next question is: what will the additional savings of this accelerated price disclosure—
I think the government refers to it as a ‘simplified price disclosure’—be compared to what was in place prior to the changes announced by the former government on the eve of the caretaker mode coming in?

**Senator NASH** (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (10:16): I do understand the concerns out there in the community. Coming from a rural and regional area myself, I have been well aware of the concerns. I concur with others who have raised the issue around the lack of consultation under the previous government. That is not something that this government intend to mirror. Indeed, our approach will be entirely different. Senators have raised the fact that under the previous government this legislation was introduced just before we moved into caretaker mode, with almost no consultation. I understand the very real difficulties that were created under those arrangements.

In terms of the timing, though, Senator Xenophon, it has been very clearly known by those in the sector since last August that we were moving towards this legislation. I would also indicate to Senator Xenophon that the initial impact from this legislation will not occur until October this year. So, while I do understand the concerns, I would not like there to be a misconception that the impact of this legislation is going to be immediate. I am very cognisant of the concerns that have been raised by the community pharmacy sector, but I will point out that October will be the point in time when this legislation will have an impact on those pharmacies.

In relation to Senator Xenophon's question regarding savings, while there are savings for the government of $835 million over the forward estimates, as we have discussed, I suspect the question was more on the impact on pharmacies through reduced income. My understanding is that the guild modelling suggests it will be around $30,000 per annum. My understanding is also that government modelling broadly reflects that. I think perhaps some of the confusion around the figures related to the funding for this is that some figures are for over the life of simplifying the price disclosure. But when you look at the impact just from this legislation, as I understand it, the guild says it will be around $30,000 a year.

**Senator XENOPHON** (South Australia) (10:18): Just in response to that, firstly, the government say that there was a lack of consultation on the part of the previous government in their negotiations with pharmacists. But what I do not understand is that if they say that the process was flawed—that is the allegation made by the government about the previous government—why are they going through with these changes? I do not understand that. I make that as an observation and, if the government want to respond, so be it. The fact that there is an average $30,000 shortfall—and the Pharmacy Guild indicated to me a $149 million shortfall for community pharmacies as a result of this accelerated disclosure—would mean that for many average pharmacies that reduction in income would be in the order of $50,000 per annum.

My question to the government is: has any modelling been done about the potential effects on employment and service delivery of such a significant diminution in income over that much shorter period?
Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (10:20): I do not think that I indicated to the chamber that the process was flawed. The process of consultation, we believe, was flawed, and there could have been more timely consultation provided by the previous government.

The previous government had already factored the $835 million worth of savings into the forward estimates. What we were up against coming to this legislation was that that had already been done. I think the Australian people clearly understand the very difficult economic circumstances which the nation is in. We had to take into account the fact that the previous government had factored in $835 million worth of savings, and we had to take that fact into account. We will take a different approach to consultation. On our coming to government there were very comprehensive consultations done with the stakeholders by the government.

Senator XENOPHON (South Australia) (10:21): It seems clear that, while the price of medical and hospital services rose 191 per cent from 1991 to 2012—that is, over a 21 year period—the cost of pharmaceutical products rose 58 per cent: a much smaller price rise. The concern is that community pharmacies, when compared to other health service sectors, have unfairly borne the brunt of cost savings, and the concern of community pharmacies is that they seem to be a soft target for successive governments.

We know from the Senate inquiry into chemotherapy drugs—docetaxel in particular, in which Senator Di Natale had a very strong interest—that if, with changes to price disclosure legislation, you muck the method of payment around and have a sudden, sharp shock in the form of a reduction in income for pharmacies, pharmacies are put in an untenable and unsustainable situation. The fear I have is that up to 1,000 pharmacies in this country could hit the wall as a result of the accelerated price disclosure provisions in the bill.

The questions are: is the government aware of any modelling on whether the changes in the bill will mean that some pharmacies will have to close their doors or shed staff and therefore reduce their service levels? Does the government concede that the cost of pharmaceutical products appears to have risen 58 per cent in a 21-year period compared to a 191 per cent rise in the cost of medical and hospital services? Is the burden being unfairly placed on the community pharmacy sector rather than on other parts of the health sector?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (10:23): Under the previous rounds there has been no decrease in the number of pharmacies. I am not in any way saying that what you are alluding to may not be correct, but I think it is useful to point out that there has not been no decrease in the number of pharmacies; in fact, I think there has indeed been a slight increase.

No, there has not been specific modelling done, as I understand it. But I think it is also useful to the Senate to place on record some of the facts around the potential increases to pharmacies, which are on average around $71,500 per annum. That includes: $16,000 per annum for increased prescription volumes; an estimated $14,000 per pharmacy from high-cost listings from 2014-15 alone; and $21,000 per annum in funding the Premium Free Dispensing Initiative. I would also point out to the Senate that the dispensing fees that are in place at the moment and other fees are not impacted on by this piece of legislation. Indeed, I think there is around $13.8 billion worth that goes to those dispensing fees and the other fees.
Senator XENOPHON (South Australia) (10:25): Notwithstanding that, does the government concede that it is taking in the order of $149 million by virtue of price disclosure? In terms of raw figures, can we just get that on the record?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (10:25): I indicate to the chamber, to provide some clarity, that it is not a saving. The legislation is simply shortening the time frame and bringing forward, from an 18-month period to a 12-month period, when those impacts would occur. I think it is very important for senators to be clear that this is a time frame issue—that these impacts were going to occur anyway under simplified price disclosure. They are now happening in a shorter time frame, with the reduction to 12 months under the legislation.

Senator XENOPHON (South Australia) (10:26): I will not take this any further, other than to restate the position that this simplified price disclosure or accelerated price disclosure is actually going to make it more difficult for a number of pharmacies to adjust—because the time period has been truncated. Whenever you bring in any reforms or changes such as this, it is about how you implement it, it is the transitional arrangements, and what the community pharmacists have said to me is that, in good faith, they negotiated an agreement for price disclosure but not for accelerated price disclosure on these terms. I will not take it any further. I understand the minister's position on behalf of the government. I move the amendment on sheet 7459 revised:

(1) Schedule 1, item 2, page 3 (after line 13), after subsection 99ADH(2), insert:

(2A) For the purposes of the Legislative Instruments Act 2003, the explanatory statement in relation to a determination under paragraph (1)(aa) of this section must include a statement of the financial impact of the determination, including an analysis of the costs and benefits of the determination to the Commonwealth, approved pharmacists and consumers.

The aim of this amendment is to ensure greater consultation and disclosure when changes are made to price disclosure cycles. The amendment applies to subsection 99ADH(2) in the bill, which allows a day other than 1 April or 1 October to be prescribed. The amendment requires, when another day is prescribed, that the government must present a statement of the financial impact of the determination, including an analysis of the costs and benefits of the determination to the Commonwealth, approved pharmacists and consumers.

I have consulted with the Pharmacy Guild on this amendment. Their primary concern is not the principle of price disclosure but the way it has been implemented with so little consultation. This amendment will ensure that consultation.

I am grateful for the work of the office of the Minister for Health, the Hon. Peter Dutton, and his adviser, Mr Simpson. They have been very helpful in providing information to me and having a discussion about this. I will wait for the minister's response, but I think that the neatest and best way of ensuring consultation is via this amendment. I look forward to the minister's response.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (10:28): I indicate to the chamber that the government does not support the amendment. I do appreciate Senator Xenophon's very real concerns in this area. Regarding the transparency and information that is requested, all the parameters to calculate the financial impact of the simplified price disclosure are already publicly available, primarily in two ways. Firstly, a legislative instrument will be tabled every six months to allow the price...
changes to take effect. The instrument will include the full list of the medications subject to price disclosure, the form of the drug, the adjusted price and the percentage reduction. Secondly, concurrently, the department releases information on its website with a summary of the changes to ensure that consumers are aware of the expected price reductions. This is usually accompanied by a media release. The government believes that the appropriate arrangements are in place in terms of information and transparency and, as I said, will not be supporting the amendment.

Senator XENOPHON (South Australia) (10:29): Can I ask the government—and I am happy for this to be taken on notice, for obvious reasons—what level of consultation was there in respect of this piece of legislation and the policy rationale behind this legislation in the lead-up, from the time that the coalition formed government? In fact, is the government able to say what consultation existed under the former government in terms of whatever information is available from the department. Again, I am happy to take it on notice, but I just want to see the nature, level and dates of that consultation, if I could get an undertaking from the minister for that information to be provided in due course and in a timely manner. I think I see a nod of the head there—I am not verbalising the minister!

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (10:30): I am sure you would never do that, Senator Xenophon! I can indicate that we will take that on notice, but perhaps I can provide some information for the senator. The department had a stakeholder meeting with all areas of the pharmacy sector on 6 December last year, which included the Pharmacy Guild of Australia, manufacturers, hospital pharmacists, the Pharmaceutical Society of Australia, and consumers. There was material on the website to reflect the feedback from the industry, and those consultations were used to inform the regulations that were developed in support of the legislative change.

I appreciate that you are after further detail. I will just place that on the record for an indicative expression of the consultation that took place. But I would be happy to take that on notice.

Senator XENOPHON (South Australia) (10:31): One further question on this line. Will the government consider the impact on community pharmacies from these changes in the future? There seems to have been a gradual but continual cutting of the revenue that community pharmacies get. In respect of that, is the government concerned about the long-term viability of community pharmacies, particularly in regional Australia? Will there be any ongoing dialogue that goes beyond this specific aspect of price disclosure, and goes to the viability of community pharmacies, in acknowledgement of the role they play in providing assistance and service to communities, particularly in regional Australia, in dispensing medicine and providing general medical advice?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (10:32): I think you would probably be well aware that, as someone from a regional area, I listened very closely to those in regional communities. Certainly the government acknowledges the importance of evaluating policies and programs, very much so, and we will be doing that at the appropriate time.

Senator McLUCAS (Queensland) (10:32): I just want to indicate to the chamber that we will not be supporting the amendment from Senator Xenophon. As I said in my contribution...
on the second reading debate, we acknowledge the view of the Pharmacy Guild of Australia, but I also refer Senator Xenophon to the Bills Digest from the Library, which goes to the questions you were asking. There is commentary in there for senior health economists that indicates the figures that have been arrived at by the Pharmacy Guild are not agreed with by everybody. I think this is a contested space.

I acknowledge the view of the Pharmacy Guild but I would like to put on the record that I think we need to balance that view with the principle that we need to pay the right price—not too much and not too little—for pharmaceuticals in this country. We are purchasing those pharmaceuticals on behalf of the taxpayers of our country. We have to get the right price that ensures we have a viable, strong community pharmacy sector, particularly for regional Australia, but we have to make sure that we are paying the right price for pharmaceuticals.

I also think it is a bit disingenuous for the assistant minister to say that this is all the Labor Party's fault. You are the government now. It is your decision and you have to own it. To blame Labor is just not good enough. This is legislation that you are introducing into this chamber, so to blame Labor for this is frankly just a bit unfair.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (10:34): To clarify, I certainly did not blame the government. My commentary around the government was to do with our concern about the lack of consultation of the sector before the legislation was announced.

The TEMPORARY CHAIRMAN (Senator Bernardi): The question is that the amendment moved by Senator Xenophon be agreed to.

Question negatived.

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) (10:35): I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Social Services and Other Legislation Amendment Bill 2013

Second Reading

Senator CAROL BROWN (Tasmania) (10:36): I rise to speak on the Social Services and Other Legislation Amendment Bill 2013. I am pleased to have this opportunity to speak on the wide range of issues covered in the provisions of this bill. As you have heard from my Labor colleagues in the other place we will be lending our support to a number of the measures contained in the legislation. I will focus my contribution on the aspects of the legislation we cannot support.
We will be opposing the interest charges in relation to certain welfare debts, the student start-up loans and the proposed extension of the Child Care Rebate limit. I understand the government will be moving to remove the amendment delaying the implementation of the new definition of 'charity', but I will be putting on record the overwhelming evidence we received during the Senate Community Affairs Legislation Committee hearing on this element of the bill.

We are also proposing amendments to the provision seeking to amend the National Gambling Reform Act and the Paid Parental Leave Act. As I have said, there are some measures in this bill that we support because they are sensible and prudent savings; however, I have deep reservations about other measures that have been cobbled together in this bill. These provisions are just the start, laying the foundation for the kinds of vicious cuts which will follow the Commission of Audit report. They are savings, not well targeted, for savings sake and cuts for cuts sake, for the sole purpose of contributing to the government's balance sheet.

For many people, for families all across the country, who each and every day struggle with the cost-of-living pressures, this is just more of the same. This is exactly what they can expect from this government. We have seen this all before with the government's attempts to scrap the schoolkids bonus as part of the repeal of the minerals resource rent tax. Like some provisions in this bill, cutting the schoolkids bonus impacts on millions of families across this country, a great many of whom may be experiencing financial stress. What this government fails to understand is that $400 for a primary school student and $820 for a high school student is an important sum of money for ordinary families dealing with cost-of-living pressures.

The first proposition in the bill that I wish to speak about is the proposal to charge interest on certain welfare debts. This includes debts incurred by people on Austudy, youth allowance and Abstudy. To apply an interest charge to these debts is mean and the evidence says it will not be widely successful. To put further stress on vulnerable people on these payments is not a fair way to chase repayments. These people should be supported, not punished. The government claims that these punitive measures will encourage debtors to repay their debt in a timely fashion.

Labor listened to the submissions of organisations that work directly with students, including the Student Representative Council of the University Of Sydney and the National Tertiary Education Union, which highlighted the financial stress under which many students already find themselves, including reference to research which shows that up to two-thirds of tertiary students are already under significant financial strain. We also note that during the hearings the Australian Youth Affairs Coalition argued that this measure is unlikely to make students pay back their debts on time. They said: 'In cases where young people are already struggling to pay existing debts the additional interest charge is not likely to serve as an incentive to pay on time.' The National Tertiary Education Union also argued that this measure may act as a disincentive to students seeking access to appropriate support, because of the fear of punitive debts, and this may lead to decisions not to engage in tertiary education. The government yet again seeks to punish those who are already vulnerable—the very people who most need support. Rather than encouraging people to repay their debts in a
timely fashion, this proposal will simply make it harder to get by and harder to get a tertiary education, so we will not support this measure.

We will also not be supporting the student start-up loans that are proposed in this legislation. This measure seeks to change the current Student Start-up Scholarship program into an income-dependent loan program available to full-time higher education students in receipt of youth allowance, Austudy or Abstudy. When we were in government we proposed a similar measure, but it must be made perfectly clear that we proposed this measure as part of our plan to fund the Better Schools Plan, to make a significant contribution to increasing funding for our schools and for our children. It has become abundantly clear that the government have abandoned the so-called unity ticket on school funding. This government have shown time and time again that they have little regard for anything they said before the election. There is no real indication that savings from this measure will be used to fund education.

We know that only a Labor government can be relied upon to truly support higher education in Australia. In Labor's term in government we saw a massive increase in investment and participation rates of tertiary students. There are 190,000 more students at university today as a result of Labor's reforms, along with a 73 per cent increase in funding. This is in comparison with the record of those opposite which saw billions of dollars ripped out of the system through neglect when they were last in government. Now we have the ominous review of demand-driven funding for universities being led by the former Liberal minister Dr David Kemp at the behest of the Minister for Education.

As the shadow minister for higher education, Senator Kim Carr, has said, the Labor Party would be extremely concerned if this review becomes the stalking horse for increasing student fees for undergraduate courses, thereby limiting access for poorer students. In government we said we would be making changes to higher education funding to slow the rate of growth and ensure that our Better Schools Plan was appropriately funded. This approach was intended to develop and improve the education system as a whole from primary through to tertiary. However, as we now know, the government has turned its back on the commitment it made to education before the election. As parents and teachers now know, the Liberal government cannot be trusted on school funding. We cannot and will not support this measure.

Another measure in this legislation that Labor cannot support is the extension of the freeze on indexation of the upper limit of 7½ thousand dollars on the annual child care rebate. This proposal sits in stark contrast with the Abbott government's rolled-gold Paid Parental Leave scheme. On the one hand the government looks to implement the Paid Parental Leave scheme which will advantage the wealthiest in this country whilst at the same time effectively cutting the Child Care Rebate in real terms.

Labor understands the importance of increased support for Australian families struggling to meet the costs of child care. When in government we increased the Child Care Rebate from 30 per cent to 50 per cent and we increased the annual cap from $4,354 to the current limit of 7½ thousand dollars. When we were in government and proposed the temporary freeze on indexation of the rebate, the $100 million in savings was to support the implementation of the Early Years Quality Fund. The $300 million Early Years Quality Fund was intended to
support quality outcomes for children by increasing professional wages of early childhood educators, helping early childhood services attract, train and retain these educators.

The fund, which has been recognised by the early childhood education industry as an important reform, has now been redirected by the government. The freeze on indexation of the rebate is now completely unjustified and will have unnecessary impacts on the industry, and on the children, parents and families who utilise child care without any benefits from the sector and these families.

Any of us who have had the opportunity to use child care or go to a childcare centre to talk to the parents and early childhood educators will know that one of the main issues they have is about the wages that are on offer for their staff and the wages that they are able to offer to retain their staff. Many of us here have been involved in the campaign that saw the Early Years Quality Fund come into being, the Big Steps campaign by United Voice. We know this was a campaign supported not just by United Voice but also by the parents and the families and the people who run childcare centres. They were all on board to ensure that something was done about the very low wages that are offered to early childhood educators.

This proposal also undermines the work currently being done by the Productivity Commission, which is undertaking a public inquiry into future options for child care and early childhood learning. The government's proposal to freeze indexation of the rebate makes a complete mockery of claims they have made about wanting to make child care more affordable for families. This proposal also shows that the government has no interest in dealing with the challenges of boosting workforce participation, particularly for women. The Labor Party understand that quality, affordable and available child care is critical to the nation's productivity and supporting women to participate in the workforce. We cannot and we will not support this measure.

As I stated earlier, I understand the government will be moving to remove the amendment delaying the implementation of the new statutory definition of 'charity'. However, I think it important that we put on record the evidence we received in the Senate committee hearing on this element of the bill. The sector has been waiting a long time for government to tidy up the definitions around the statutory definition of what constitutes a charity. The Labor government's Charities Act 2013 creates a statutory definition of what constitutes a charitable entity. The importance of the definition is that it guides the Australian Tax Office, the ATO, as to whether or not an organisation is eligible for certain tax benefits.

The bill codified existing case law and also explicitly stated that charities are free to critique the policies of political parties and candidates. The bill had widespread support in the sector. As Mr Nathan Macdonald, acting director of Justice Connect, told the committee on 9 December:

In our view the Charities Act is a step towards certainty and clarity for those seeking charitable endorsement and goes some way towards addressing the proliferation of statutory definitions on 'charity'.

We feel the Charities Act represents a piece of policy that is long overdue, having been considered and recommended by several major inquiries, including the 2001 charities definition inquiry and, more recently, the Productivity Commission inquiry in 2010. Consultation on the current definition was adequate and, while a number of the 200-plus submissions asked for some degree of tinkering to the Bill, it is fair to say that there was broad support for a single definition on 'charity' across the
Commonwealth, with the end result being a definition that largely preserves and clarifies the common law.

There is broad support within the charitable sector for a statutory definition of charity, as very few want to be bogged down in court cases to decide if they are a charity. Mr David Crosbie, the CEO of the Community Council for Australia, also told the committee:

We recognise, as would everybody who has ever looked at the legislation and the definition of 'charity', that the current provisions are woefully inadequate, that they discriminate against small charities who cannot afford tax lawyers, and they are complex even for the most well-resourced charity in terms of understanding what is charitable and what is not. It was a massive step forward to get the level of consensus that was agreed through the 2011 consultations, the 2013 consultations and the 2001 consultations on a new statutory definition of 'charity' and we, like most of the charitable sector, celebrated the fact that we had clarity and some sense of being able to plan our activities based on a clear, concise definition of 'charity' that included things previously not included like advocacy, Indigenous disadvantage, housing and disaster relief.

Mr Crosbie's thoughts were echoed by the Reverend Tim Costello, who is chair of the Community Council of Australia and the Chief Executive Officer of World Vision Australia:

This new definition is extraordinarily important for all of us. With the consultations and over 200 submissions made, I have not heard of anyone in the sector who was troubled by this definition.

Ultimately, the coalition's policy is to scrap the definition of 'charity' and disband the Australian Charities and Not-for-profits Commission in one move. Labor opposes both of these moves. The case has been put very strongly that the current legislation is important, and Labor is listening to the sector in opposing what was to be the delay of the implementation of the Charities Act. For a long time the sector has been calling out for a body like the ACNC, as well as for a statutory definition of 'charity'. We on this side think that, after several reviews and inquiries, their opinions should be listened to as they go about their important work.

I would also like to address the proposed changes to the National Gambling Reform Act which are contained in this bill. Problem gambling is a very real and very serious issue affecting around five million Australians, including friends, families and employers of people. The social cost of problem gambling in this country was estimated to be around $5 billion in 2008-09. This social cost is in addition to the almost $19 billion which is lost annually by gamblers around Australia. This is an enormous financial burden for Australian families. In 2012, Labor introduced measures aimed at tackling problem gambling. The bill before us removes all of the measures contained within the National Gambling Reform Act that would help these problem gamblers.

As outlined in the Labor senators' dissenting report on this and the other measures in the bill, we will be proposing an amendment to this legislation to ensure that, where there is a state-wide precommitment scheme in place, venues must continue to have the capability to connect to that scheme. The government's legislation also recommits to further consultation across stakeholders. Such consultation and engagement is strongly supported by the Labor Party. The Labor Party remains committed to supporting meaningful measures to tackle the complex issue of problem gambling in our community. As the shadow minister outlined in the other place, Labor will revisit this issue and determine the best way forward, together with stakeholders across the community.
Finally, I want to discuss the proposed changes to the administration of the Paid Parental Leave scheme. It was, of course, Labor who introduced the country's first ever national Paid Parental Leave scheme—a scheme which, as at 31 December 2013, has seen over 364,000 people access paid parental leave since its introduction in January 2011. An additional 65,000 people have accessed dad and partner schemes since its introduction. Since the Paid Parental Leave scheme was introduced by Labor, it has been administered, in part, by employers. The scheme was specifically designed with this role for employers in order to help employers retain their skilled staff and to help employees remain connected to work and their careers while they were taking time out of the workforce to have a baby or adopt a child. The scheme was designed to be a workplace entitlement rather than a welfare payment. The scheme was designed to be simple for business, and a recent evaluation found that most employers have found their role straightforward. It also found that compliance costs have been minimal.

In its submission to the Senate committee inquiry into the provisions of the bill, the ACTU referred to the Productivity Commission's recommendation that employers should act as the agent for the government and pay its statutory leave on its behalf. The Commission noted that structuring payments in this way would strengthen the link between employer and employee, which should increase retention rates for the business and lead to higher lifetime employment by women. Evidence supplied to the same inquiry by officials from the Department of Social Services referred to the legislation review of the PPL that is due to be finalised in the very early part of this year.

Our shadow minister has outlined that we will be making amendment to the provision that the government is putting forward. We propose allowing small businesses with fewer than 20 employees to have Centrelink make paid parental leave payments—(Time expired)

**Senator DI NATALE (Victoria) (10:56):** I rise to make a short statement about one component of this bill, and that is the requirement to repeal the hard won reforms of the previous parliament around poker machines. This bill seeks to repeal the very modest reforms that were introduced by the previous government with the reluctant support of the Greens. The previous parliament had a wonderful opportunity to take action on the issue of problem gambling. It was an issue that came to national prominence on the basis of the fact that we had a minority government with several crossbenchers who recognised that this was one of the great unmet challenges of government because successive state governments had failed in their duty to protect ordinary people who were losing billions of dollars on poker machines. They also recognised that Australia had a very unique problem because our poker machines were equivalent to the most aggressive and rapacious machines anywhere in the world. If they were guns they would be the semiautomatic weapons of the gun world.

Some very modest reforms were proposed initially. There was a Productivity Commission backed proposal for one dollar bet limits. The Prime Minister agreed to a scheme of mandatory precommitment. Most disappointingly, those reforms fell apart when there was a change to the composition of the parliament and Peter Slipper was elevated to the position of Speaker. That is the history of that reform. Ultimately, the previous government suggested a scheme of voluntary precommitment, at least ensuring that every machine that was replaced and that every new machine would have mandatory precommitment technology and the opportunity to network those machines.
The Greens reluctantly supported it because we knew that we were not going to achieve reform other than the one that was proposed by the then government. We supported it because it was a small step forward, but we were disappointed that the level of ambition, in terms of attempting to address the issue of problem gambling, was so limited. Ultimately, the proposal that passed the parliament would, for the very first time, have put the federal government in the poker machine space. Up until that time this had been the domain of state governments. As far as my own personal commitment to this issue is concerned, for the first time I was pleased that we finally got a federal government to recognise that what we have here is a regressive tax, predominantly targeting people on low incomes. The federal government was finally prepared to act—not in a way that we would have liked, but at least taking a step into this issue, which future parliaments could build on.

This new government always opposed reform in this area because it is hand in glove with the gambling industry. It was remarkable that, in the lead-up to the election, the now minister introduced the now government's policy on the Clubs Australia website. It is absolutely remarkable that we would have a minister who is charged with gambling policy and who believes that—rather than balancing the needs of industry and protecting ordinary members of the community who become addicted to poker machines—he should act, essentially, as the industry shield—as someone out there campaigning for the pokies industry. That the now minister in this area announced the coalition policies on the Clubs Australia website was, I think, a reflection of where this government's priorities lie.

It was even more disappointing that, despite all of the pain and the anguish that this issue brought the Labor Party in their last term of government, the Labor Party have effectively backed the government's repeal of the very modest poker machine reforms. For me, in my short time in this place, that was a huge shock—a huge disappointment. It was probably the greatest disappointment that I have had in the area of gambling policy. It is an issue that brought so much pain and political discomfort to the previous government; I find it remarkable that, after they had finally mustered that courage to introduce such modest reforms, they would now back away from those reforms. I was going to say that I do not understand it, but I do understand it. I understand it because it represents everything that is wrong with politics in Australia—that is, that we have vested interests who patrol the corridors of parliament. People are walking in and out of offices every day. If they are not walking in and out of offices as lobbyists, they are employed as parliamentary staffers, and they are doing the bidding of big business and ensuring that members of parliament are subjected to concerted lobbying and pressure. And politicians do not have the guts to stand up to them.

That is why we are here today. We are here today because Clubs Australia have mounted a successful campaign. Both sides of politics are essentially standing up for the interests of big business. They are standing up for the interests of an industry that strips billions of dollars from people on low incomes. No-one on either side of the chamber has the political courage to stand up and say: 'We're going to take a stand here. We're going to stand up to this industry. We're going to stand by these very modest reforms that were introduced.'

Here we are. The federal government is now backtracking on the poker machine reforms. It is a great disappointment. It reflects everything that is wrong in Australian politics—the power of big business and the power of vested interests. The undue influence is not just in
terms of this issue; we have seen it time and time again. We saw it during the debate on the mining tax. We have seen it in a range of areas and now we are seeing it here in relation to poker machines.

It is a great disappointment and the Greens absolutely oppose that section of the bill that seeks to remove protections for ordinary people in relation to poker machines. Quite simply, this is an issue that could be addressed in this way: put one-dollar-bet limits on machines. This would allow ordinary punters to have a punt on the pokies and it would reduce the amount of money that people will lose from several thousands of dollars in an hour to a few hundred dollars. In that way, we would ensure that young kids do not go hungry at night, that people do not lose their homes and that marriages do not break up. But, unfortunately, we have taken a step back from that today, and it is to the shame of both sides of politics.

Senator MOORE (Queensland) (11:05): The Social Services and Other Legislation Amendment Bill 2013 includes a range of issues, most of them to do with savings. There are so many issues involved in this bill that I will not be able to speak on all of them in the time that I have. I will begin on the issue of gambling because, as Senator Di Natale has said, it is a particularly sensitive area.

The bill before us takes away the legislation and the processes that our government put in place around the sensitive issue of gambling. The current government has put in place a proposal based on the fact that—on this this incredibly vexed area, where there is so little agreement—the government believes that the best thing to do is to ensure that all the stakeholders and the people who are concerned about this issue have the opportunity to look at the best way forward. The government is determined not to support what we put in place but they have made a commitment. They see that there has to be action, and they are moving forward. We on this side of the chamber will support the government on this.

We are putting forward a number of amendments, particularly around what we consider needs to occur, but we have decided—because of the sensitivities, the pain and the frustrations—not to continue with the measures that were in place and which had not received full commitment across all of the various interests in this area. We saw that in the committee hearings that were held. I know, Mr Acting Deputy President Furner, that you attended some of those committee hearings. We know the range of views, but the minister has put on record his intent to make sure that the people who are engaged—the various stakeholders—will be brought together so that we can come up with reforms that the government will support. Indeed, we want to be involved in that. We want to be part of what is proposed, and we will see whether the proposals put forward meet the needs of the various people who have told us so clearly that this area is important to them.

It is important—and we have had a number of debates in this place—to put on the record that the concerns that Senator Di Natale raised—and I know other senators will raise them—are shared by the Labor opposition. We have listened; we have heard. It is not a debate or a fight over who is more concerned about gambling in our community. It would be, I think, unfortunate for our work into the future if it degenerated into that. It is not some kind of struggle of strength around who has more commitment than anyone else; this is about genuine efforts to move forward to ensure that we have processes in our country that will effectively respond to the identified needs.
The government has put on record that it believes that this issue mainly concerns the states. There is truth in that. We know that the immediate legislation looking at the volume of machines, the processes and the various ways that taxation works are state-level issues. So we have committed to work with government into the future to make this succeed—and to come back to this place regularly to question, to be involved and to see what happens next. That is important. We have had a number of discussions recently in this place about whether critical questioning is supportive of government measures. I put on record again that the role of all of us in this place is to critically question. And it is to make sure that we can come up with the solutions that are best, that we review them and that we keep that constantly on the agenda. That is the government's proposal in that area and, with the amendments we are bringing forward later in the committee stage, this principle of moving forward with regenerated discussion with stakeholders will be supported by the opposition.

Another area I want to look at is the issue around the extension of the Cape York income management trial. We know that the government necessarily, because of the timing of bringing this legislation forward, will move practical amendments about introduction dates and those kinds of things, but both parties have been involved in the Cape York income management trial—through the specialised work that has been done in the cape with that local community, looking at what is best to ensure that people in that area have an effective and well-supported economic future. The Cape York income management trial has been in place over a number of years. It has been reviewed. Our Senate committee has met with them on at least two occasions to get updates about how the trial is working. We believe that maintaining this measure with the full engagement of the local community is practical and effective.

One reason this trial has been successful is that people across that community have chosen to be involved, and there has been regular interaction with that community to explain the basis for and the outcomes of the trial, and to work with individuals impacted by decisions around their own income management, providing immediate and personal support for them, with the major outcome never to be punitive. The income management trial in Cape York was never meant to be a punitive process where people were treated harshly because of their situation with social welfare; rather, it was designed to be a community response: so that people who were having difficulty with income management—their own issues or family issues—would have support mechanisms locally that would help them to plan their futures and look effectively at their income management, with the intent of looking towards employment and education outcomes.

It is important that we commend the work of the Family Responsibilities Commission because those local people working in the community have made it succeed. Too often, this kind of assistance is seen as being exported from outside and imposed. From the very start of the Cape York process, the intent and engagement was focused on local people; of course, working with people with expert knowledge from outside, but working together and taking into account people's individual situations in that extraordinarily beautiful part of the world.

We have seen progress with the reforms—but the world has not changed. Anyone who gets into this area will know that you will not work miracles overnight. When you look at the data, there have been improvements—but people who are critical can say, 'There have not been enough.' The most important thing is that the local people in Cape York feel that this is benefiting them and that they can work with it. Our challenge is to look at what has worked,
see the impact on individuals and move it forward. The lessons that have been learnt in that area need to be shared across other areas of the country.

So we welcome the extension of this plan. We need to examine why it has worked there. You cannot just automatically—and this is a note of caution for anyone in the policy area or the political sphere—take what is happening in one place and force it onto another community. I think people know that but, too often, for ease and immediacy of impact, we say, 'Whacko, it's working there, so we'll just make it work everywhere else.' I certainly do not believe that, and neither does anyone on this side of the chamber. What we are saying is that the positives from this trial—which have been documented—are there. So, when other communities are looking at what may work in their area, we should learn from those positives, and engage communities in talking to communities.

It is one thing to have parliamentarians talking to parliamentarians or even to have people in the Public Service—those in the extraordinarily supportive public sector, who have worked so hard to make this operate—talking to other people in the Public Service; that is of course valuable. But what will make any of these trials about effective income management and community development work will be people in the local communities talking with each other and saying, 'This is what we did, this is what worked and this is what we are hoping for our future.' So I would like to take that up.

Senator Brown went through a range of specific measures which we will look at later. We have taken up and will be supporting a number of the government's proposals, which were proposals in our budget. Some of them are tough, and that particularly occurs when you are looking at changes around entitlements and at what works best. Things like extending the rules for Australian working life residency are tough. This brings us in line with other pension schemes across the world. Again, a word of caution: our pension scheme works significantly differently from those in Europe, and people who make simplistic comparisons in their arguments will get themselves into trouble. Nonetheless, under the changes to the working life residency requirements, the expectation is that people will spend a longer period of time in our country before getting the full benefit of our pension scheme when they cease working. The pensions bonus scheme will finally be closed down, and I think people are well aware that that is an administrative change, as that scheme has been overtaken by another scheme.

There is discussion about the legislation that extends deeming rules to account-based income streams. Again, this is a change for people. It certainly leads to significant savings in the budget. You can see that when you are looking at the calculation concerning which of these areas harvests the most savings to government. I believe it is important that we have consistency in our welfare system. The McClure review has commenced, and I say to the Assistant Minister for Social Services, who is in the chamber, that we are really keen to see the terms of reference for that review.

We are looking at our general welfare system. This is not a one-off process; we have had many reviews in the past. A consistent element of community concern has been the complexity of our system. I think that is a really genuine point. Changing the deeming process brings the assets and income test—which is the basis for people being able to claim a payment—into line with other forms of welfare entitlements. While there is pain in that, I think there is logic to the process.
I will touch briefly on some of the provisions that we are not supporting or that we are putting up significant amendments to. Acting Deputy President Furner, as you were a member of the committee, you would remember the issues around the paid parental leave scheme and the process of businesses taking ownership of supporting their workers through a period of paid parental leave so that it is not seen as a welfare or a tax issue but as a workplace issue. We have had significant discussion about that over a period of time. Again, I say to the minister that we are still waiting for the paid parental leave review, which we are hoping will bring out all the issues.

In our most recent Senate inquiry we received evidence from departmental officers that being the paymaster—as some in industry had called it—for the paid parental leave scheme had not been raised as a major issue in the preliminary areas of the review. Certainly there were questions about how the scheme would work. As part of the review, there has been an interactive process between the department and various business groups and individuals about what the issues were and how they could be addressed.

Particularly after listening to people from very small businesses, who may not have access to the types of HR systems that larger businesses have, our position is that it would be reasonable for businesses with fewer than 20 employees to choose either to opt-in, so they could choose to provide payments through their own payment systems, or to have payments go through Centrelink. We strongly believe, as we maintained during the development of our own paid parental leave scheme, that one of the clear aspects of paid parental leave is that it is a workplace entitlement—workers actually become eligible to receive paid parental leave. Senator Collins, who is sitting to my right in the chamber, was also involved in discussions on this scheme.

The important thing is to ensure that both workers and employers know that workers have the right to claim paid parental leave. On that basis, when a worker receives paid parental leave payments they are still intrinsically engaged in the workplace as an employee. That link, which we were so clear in our wish to maintain, means that for the period of time that the worker is out of the workplace they should remain intrinsically linked with their employer in things like information-sharing and discussion—just having it known that they are still employed by the employer. We believe that being responsible for making paid parental leave payments, in the same way as you would make wage payments, enforces that link. So our amendment stipulates that employers who have fewer than 20 staff will be able to defer to Centrelink to provide those payments; however, we strongly believe that bigger business should take administrative responsibility for the entitlement for paid parental leave, as they have the HR systems in place and are already responsible for other forms of workplace entitlement.

We are not supporting a number of the processes. We are not supporting placing an interest charge on certain welfare debts, although the previous government had brought forward that proposal, as indeed it had brought forward a proposal for student start-up loans to replace the scholarship process. Each of those are savings measures.

When we made the decision to take up those saving processes, we were very clear that they would be part of how we would build the Better Schools program. As the Better Schools program is not happening in the way that we had developed it, and as it is not looking at the way that we were bringing together funds from other areas to help fund it, we are not
supporting those two processes. The interest rate area was always problematical; I think that should certainly be part of any review of the welfare system. As we are blessed now with Mr McClure and his team looking at this, perhaps more involvement in these areas could be taken into account.

People actually accrue debt through the welfare system. I remember, to my shame, raising a number of debts when I worked in the then department. The way it operates is that you look at someone's entitlement, see whether they maintain their entitlement, and if they have not been receiving the right payment then the process is put in place to have that money repaid. That is what we will continue to do in this area. We are not supporting that particular amendment. Another area is the start-up scholarships. We strongly supported the scholarship process as opposed to the loans in that area, and that is on the same basis. In terms of the childcare rebate, this is a particularly important issue; again, on the basis that the savings in this area were particularly developed to respond to what we as government were doing to inject significant funding into the childcare area to provide enhanced wages for these workers—who are working incredibly well and with great professionalism to support our children in child care. The whole process was to ensure that they would have a salary more reflective of the work that they were doing. As the government has chosen not to take that forward—and part of the reason for the backing of the government's changes here was to help fund that—we are not supporting that element either.

In terms of where we go from here, there are a number of other issues that I have not mentioned because of the time remaining. In terms of the discussion around this process, there are many things on which we can agree. We understand that savings need to be taken, and that we are building to ensure that people get the most effective processes no matter which part of the welfare scheme they operate in. We feel very strongly about paid parental leave, as we do about the issue of gambling. In terms of our commitment to further engagement in the gambling process, I must end my particular contribution by saying: we do not move away from the need to take action in the area of gambling. However, we are not actually moving forward with the proposal that we had when we were in government. We are keen, as I said earlier, to be involved in any further action towards an appropriate response in this area.

Senator XENOPHON (South Australia) (11:25): I have already made my position on this bill very clear. I will be focusing my remarks in relation to the government's attempts to repeal the gambling reforms, and to introduce any of the other measures in this bill, on the gambling reforms.

When the Gambling Reform Bill 2012 was introduced I said it was a Hobson's choice for me; one that is ostensibly a free choice, but in reality no choice at all. At the time, I voted against those reforms for a number of reasons. Firstly, because the then government had bowed to industry pressure and had broken their promise with Andrew Wilkie, the member for Denison, rather than make a stand on poker machine reform. Secondly, because the reforms that were included in the legislation were so watered down compared to what was promised that they would not have been anywhere near as effective as they needed to be. Thirdly, because I believed there was still the capacity to negotiate for a better deal for problem gamblers. And fourthly, because I did not want to be seen to be complicit in such a breach of faith by the former government—a promise broken, I believe, so cynically. Having said that, I do not and I cannot criticise Mr Wilkie, the member for Denison, or Senator Di
Natale for their support of those reforms, because I believe they at all times acted in good faith and with good hearts.

However, I cannot deny that the former government's reforms did at least set a precedent in terms of the federal oversight of gambling reform; that, constitutionally, it is clear that the Commonwealth can act and should act in respect of problem gambling reform—because you cannot trust the states when it comes to gambling reform. When state governments between them rake in something like $4 billion a year in taxes on gambling, most of that from poker machines, then they are hopelessly conflicted when it comes to tackling problem gambling. And we know that the predominant cause of gambling addiction in this country is poker machines.

I oppose this government's reform because it too is behaving in an extraordinarily cynical manner. Never before have problem gamblers and their families been so cruelly abandoned by those with the power to put in place a framework that would help limit the harm caused by poker machine addiction. I also include the opposition in this. I note Senator Moore's contribution; Senator Moore, too, has approached this issue of gambling reform genuinely and with a good heart. But it seems clear that the Labor caucus, and the ALP caucus as a whole, has voted to walk away from even the minimalist reforms they came up with.

This federal government's proposed encouraging responsible gambling policy, as it is called, will do nothing to curb the extent of problem gambling in our communities. It will only further stigmatisate those who suffer from this addiction and it will make it harder for problem gamblers to control their spending and to limit their losses. So I do not want to be part of what I see as a very cynical move by this government—which caved in to the club and hotel lobbies. Not only is it still voluntary, but there is nothing to address the issue of gamblers going from venue to venue as they reach their limits. The very fact that the government do not seem to understand or appreciate this shows they have little or no understanding of problem gambling as a whole.

The government's proposal to allow venue based precommitment is even worse. Not only is it still voluntary, but there is nothing to address the issue of gamblers going from venue to venue as they reach their limits. The very fact that the government do not seem to understand or appreciate this shows they have little or no understanding of problem gambling as a whole. I say that with one caveat. Back in May 2012, I stood side by side with the then Leader of the Opposition Tony Abbott to speak about the impact of online gambling, and I was very heartened by what the now Prime Minister said in relation to that. There was genuine concern on his part in relation to the proliferation of online gambling and 'how mobile phones could be turned into a virtual casino', to paraphrase his words at that conference. I appreciate what Mr
Abbott said then and I do not believe his views have changed in relation to that. There was a
genuine concern about the impact of online gambling.

But I believe those genuine concerns are in complete discord with what the government is
now doing in respect of even minimalist gambling reforms. Let us go to the issue of voluntary
precommitment. Some two years ago, a study into precommitment, prepared for the Nova
Scotia Gaming Foundation in Canada, reported that voluntary schemes consistently and
miserably fail because they rely on the willpower of players—that is, players had to have the
willpower not to keep playing outside the system when they reach their limit. Further, the
study found that high-risk players are less likely to take precommitment options and will
continue to play unless they are locked out of the system completely when they have reached
their limit.

I know that some people are arguing we should not be forcing people to set limits, and then
shutting them out of what is essentially a form of entertainment. So I ask this: in what other
form of so-called entertainment can you lose $1,200 an hour? According to the Productivity
Commission, that is how much you can lose in an hour of poker machine gambling. What
other form of so-called entertainment is there that causes such levels of depression, family
break-up and criminality? Gambling addiction is one of the biggest causes of crime, outside
of drug addiction, in this country. What other form of so-called entertainment can lead to
people harming themselves and, most tragically of all, taking their own lives?

The worst part of my job is sitting down with family members who have lost a loved one
through a gambling-related suicide. To anyone who is listening or who reads this in the
_Hansard_, if you know someone who has got a problem, there are agencies that can help.
There is always hope. They should not be embarrassed or ashamed because of their gambling
addiction. The ones who should be embarrassed and ashamed are the industry that so
capriciously feeds on that addiction and the governments, state and federal, that have stood by
and failed to act adequately to tackle this enormous problem in the community.

If we really want to consider poker machines as entertainment we need to reduce the
intensity. One of the things that makes them so addictive is their volatility. In the Senate
inquiries I have sat on, that is absolutely clear from the evidence of the experts we have
spoken to. We need to introduce limits on bets, on spin rates and on the amount of credit that
the machine will accept at one time. A significant and key recommendation of the
Productivity Commission's 2010 report was the introduction of a $1 maximum bet and the
reduction of the maximum loss to $120 an hour.

I, along with Senator Di Natale and Senator Madigan, have already introduced a bill that
would have achieved these aims. When I introduced amendments to the former government's
bills in line with these measures, they were not accepted by the former government or by the
former opposition. If you take into account that 88 per cent of recreational gamblers do not
spend more than $1 per spin at any time, then what would the harm be? It would be of no
inconvenience at all to recreational gamblers.

The government's rationale for repealing the national gambling regulator is that the states
and territories already have control of gambling regulations. Just recently, a survey by British
consultancy H2GC revealed that Australians are per capita the biggest gamblers in the world.
Australians lose over $1,000 per adult—more than any other country. Nearly half of that
amount, $460, is lost on non-casino poker machines, outstripping the US by a margin of 18 to
1. These amounts are per capita and assume that everyone in Australia shares an equal split in the losses. But the Productivity Commission estimates that around 30 per cent of people play the pokies regularly, so the losses are probably around $1,500 per head for those who actually play poker machines. Of course, the majority of losses come as a general rule from problem gamblers—those who play on a regular basis—which skews the amount even further. These numbers prove that state and territory governments are not effectively regulating gambling.

We have heard from the Productivity Commission again and again that something like $5 billion a year, or 40 per cent of the more than $12 billion a year lost on poker machines, comes from problem gamblers—people who can least afford it, people who are suffering hardship, people who are in the grip of an addiction. That makes it particularly tragic that there is a loss of political will on both sides to effectively tackle this problem. We know from the Productivity Commission's report that the number of Australians who play poker machines regularly—that is, at least once a week—is 600,000. The number of regular players of poker machines who are problem gamblers is about 15 per cent. Another 280,000 people are categorised as being at moderate risk of problem gambling—people on the way to developing a gambling addiction.

We know that things have not improved since 1999, when the Productivity Commission did its first report, so I cannot understand why the government would now believe things will suddenly be okay—unless they are deliberately turning a blind eye to problem gambling. We cannot underestimate the vested interests in this argument. Ever since the then Prime Minister Gillard announced a national approach to poker machine reform, the clubs, the hotels and the industry generally have been waging a hysterical campaign that claims they will all be left penniless and unable to serve their communities. Research undertaken in 2012 by Dr Charles Livingstone of Monash University, together with UnitingCare Australia, proved that claim to be as false as all the others. In the New South Wales electorate of Blaxland, losses on poker machines equal 8.2 per cent of median individual income, based on the entire population, not just those who play the pokies. For people who use the pokies, losses average a staggering 34 per cent of their income—over one-third of their income!

According to Dr Livingstone, Blaxland's 2,240 poker machines each collect an average of more than $79,000 a year in losses, a total of $177.5 million. That means that the average annual pokie expenditure for every adult in the electorate is $1,690. But according to community benefit claims made by clubs to the New South Wales government, in 2010 only 1.4 per cent of the amount lost on pokies was returned to the community. That is not an isolated case.

Dr Livingstone's research found similar examples across New South Wales, Victoria, Queensland and the ACT. And, dare I say it, the situation in my home state of South Australia is really no different. In the most affluent electorate of Kooyong, in Victoria, losses account for about 2.2 per cent of median individual income for pokie players, but community benefits claimed by clubs in that area amounted to only $27,400 from over $19 million in losses, or 0.1 per cent. So claims that clubs were the main support for entire community structures, and that our little kids would be left wandering around deserted ovals football-less and guernseyless, are as exaggerated as the rest of the club's claims.
It is worth mentioning that the state that has the greatest degree of sporting participation; the state that seems to do better in community participation in sports, is Western Australia, which does not have poker machines outside of the Burswood Casino.

Even if these claims by the clubs were true—and we know that they are not—we cannot forget that over 40 per cent of that money comes from problem gamblers. So that group of people is losing a disproportionately large percentage of the total. I wonder how parents feel about the fact that their kid could be wearing a uniform paid for by an organisation that is responsible for someone else's child missing out on breakfast.

The government's position on this is untenable. While I cannot pretend the provisions of the National Gambling Reform Act are anywhere near the best outcome, I also cannot support its repeal without better provisions to replace it. This is a very cynical move by the government. This issue will not go away: the fact that there are literally hundreds of thousands of Australians directly impacted today by poker machine addiction means that it will not. We know from the Productivity Commission that for every problem gambler there are, on average, seven people affected by it. So right now, around this nation, there are hundreds of thousands of people who are suffering directly because of poker machine addiction. We need to do something about it. This attempt by the government is a clear abrogation of their duty of care to the community and the opposition has cynically joined them in that.

The ACTING DEPUTY PRESIDENT (Senator Furner): Senator Xenophon, I understand that you may have a second reading amendment to move. Is that correct?

Senator XENOPHON: I move:

At the end of the motion, add:

"...but the Senate notes the desire for gambling reform amongst the wider community, and calls on the Government to hold a plebiscite not later than next federal election on the need for a Commonwealth approach to poker machine reform, including the implementation of the Productivity Commission's recommendations of maximum $1 bets and $120 hourly losses."

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (11:40): Can I thank colleagues for their contribution to the debate and acknowledge that there are some areas of agreement in the bill that is before us, the Social Services and Other Legislation Amendment Bill 2013.

I indicate that I will shortly be moving some amendments to defer the commencement of several measures in the bill in the light of its delayed passage. Colleagues would remember that we got a start on this bill at the end of last year, but obviously did not conclude it.

One key measure in the bill delivers the first stage of the government's commitment to a different approach in addressing problem gambling. Our new direction will provide meaningful and measurable support for problem gamblers and will reduce bureaucracy and the duplication of functions between the Australian government and state and territory governments in this important area.

Most Australians who gamble do so responsibly. But it has to be acknowledged that gambling is a major problem for some people and effective measures are needed to help those people.
The bill will repeal the position and functions of the National Gambling Regulator, along with those provisions relating to supervisory and gaming machine regulation levies; the automatic teller machine withdrawal limit; the dynamic warnings; the trial on mandatory precommitment; and matters for the PC review. The bill will also amend the precommitment and gaming machine capability provisions to clearly express the government's commitment to the development and implementation of these measures in the near future, informed fully by consultation with industry, state and territory governments, and other stakeholders.

In a further step towards reducing bureaucracy, especially easing administrative burdens on business, the paid parental leave legislation will be amended to remove the requirement for employers to provide government-funded parental leave pay to their eligible long-term employees. Employees will be paid directly by the Department of Human Services, unless an employer opts to provide parental leave pay to its employees and an employee agrees for their employer to pay them. This measure will apply from 1 July this year, as indicated in the amendments that will be moved shortly.

The measure in the bill that would have delayed the commencement of the Charities Act 2013 by nine months, from 1 January 2014 to 1 September 2014, will also be withdrawn under the amendments that will be moved. The measure is obviously no longer appropriate because the 1 January commencement date has now passed and the act is in operation.

The bill will also seek to continue income management as a key element of Cape York Welfare Reform, as part of a two-year continuation of the initiative, until 31 December 2015. Cape York Welfare Reform is, as colleagues would be aware, a partnership between the Australian government, the Queensland government and the Cape York Institute for Policy and Leadership. It aims to restore local Indigenous authority; rebuild social norms; encourage positive behaviours; and improve economic and living conditions in the participating communities of Aurukun, Coen, Hope Vale and Mossman Gorge. Since Cape York Welfare Reform began in July 2008, the four participating communities have seen improvements in school attendance, parental responsibility and the restoration of local Indigenous authority.

The bill will implement several measures affecting family and parental payments—the closed Pension Bonus Scheme, the rules for receiving certain payments overseas, the income test treatment of account based superannuation income streams, and certain student entitlements. Lastly, the bill will make some minor amendments, including ensuring that funding under the National Disability Insurance Scheme that is paid into a person's account that is set up for the purpose of managing the funding for supports for a participant's plan cannot be garnisheed for debt recovery purposes—and I am sure that is something that all colleagues would be in very strong agreement about.

Senator XENOPHON (South Australia) (11:45): by leave—The second reading amendment essentially calls on the Senate to note the desire for gambling reform amongst the wider community and calls on the government to hold a plebiscite not later than the next federal election for a Commonwealth approach to poker machine reform and in particular to implement $1 bets and $120 hourly losses. I move this amendment on the basis that, if there is a lack of political will within the parliament, then at least give it to the people; if there is a deadlock, if the major parties cannot agree on this, then at least this is one way of outsourcing that responsibility directly to the people by way of a plebiscite, which I believe would be carried given the overwhelming desire for gambling reform.
Question negatived.

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

Question agreed to.

Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

The TEMPORARY CHAIRMAN (Senator Furner) (11:46): The question now is that the bill stand as printed.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (11:47): I table a supplementary explanatory memorandum relating to the government amendments to be moved to this bill and—by leave—move amendments as circulated in the name of the government on sheet BM461 together:

(1) Title, page 1 (line 13), omit ", charities".
(2) Clause 2, page 2 (table items 2 and 3), omit the table items, substitute:

<p>| | |</p>
<table>
<thead>
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<tbody>
<tr>
<td>2. Schedule 1</td>
<td>The day this Act receives the Royal Assent.</td>
</tr>
<tr>
<td>3. Schedule 2</td>
<td>The 28th day after this Act receives the Royal Assent.</td>
</tr>
<tr>
<td>3A. Schedule 3</td>
<td>1 May 2014.</td>
</tr>
<tr>
<td>3B. Schedules 4 and 5</td>
<td>1 July 2014.</td>
</tr>
</tbody>
</table>

(3) Clause 2, page 2 (table item 4), omit "1 January 2014", substitute "1 July 2014".
(4) Clause 2, page 2 (table item 5), omit the table item, substitute:

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<tr>
<td>5. Schedules 7 and 8</td>
<td>1 July 2014.</td>
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<tr>
<td>5A. Schedule 9</td>
<td>The day this Act receives the Royal Assent.</td>
</tr>
</tbody>
</table>

(5) Schedule 1A, page 9 (lines 1 to 5), to be opposed.
(6) Schedule 3, item 36, page 15 (line 25), omit "1 January 2014", substitute "1 May 2014".
(7) Schedule 3, item 36, page 16 (line 2), omit "1 January 2014", substitute "1 May 2014".
(8) Schedule 3, item 36, page 16 (line 6), omit "1 January 2014", substitute "1 May 2014".
(9) Schedule 3, item 36, page 16 (lines 9 and 10), omit "1 January 2014", substitute "1 May 2014".
(10) Schedule 3, item 36, page 16 (line 15), omit "1 January 2014", substitute "1 May 2014".
(11) Schedule 3, item 36, page 16 (line 21), omit "1 January 2014", substitute "1 May 2014".
(12) Schedule 4, item 6, page 17 (line 23), omit "1 January 2014", substitute "1 July 2014".
(13) Schedule 4, item 6, page 17 (line 24), omit "1 January 2014", substitute "1 July 2014".
(14) Schedule 4, item 6, page 18 (line 1), omit "1 January 2014", substitute "1 July 2014".
(15) Schedule 4, item 6, page 18 (line 4), omit "1 January 2014", substitute "1 July 2014".
(16) Schedule 4, item 6, page 18 (line 8), omit "1 January 2014", substitute "1 July 2014".
(17) Schedule 4, item 6, page 18 (line 27), omit "1 January 2014", substitute "1 July 2014".
(18) Schedule 4, item 6, page 18 (line 29), omit "1 January 2014", substitute "1 July 2014".
(19) Schedule 4, item 6, page 18 (line 33), omit "1 January 2014", substitute "1 July 2014".
20 Schedule 4, item 6, page 19 (line 11), omit "1 January 2014", substitute "1 July 2014".
21 Schedule 4, item 14, page 20 (line 12), omit "1 January 2014", substitute "1 July 2014".
22 Schedule 4, item 14, page 20 (line 14), omit "1 January 2014", substitute "1 July 2014".
23 Schedule 4, item 14, page 20 (line 17), omit "1 January 2014", substitute "1 July 2014".
24 Schedule 4, item 14, page 20 (line 21), omit "1 January 2014", substitute "1 July 2014".
25 Schedule 4, item 14, page 21 (line 11), omit "1 January 2014", substitute "1 July 2014".
26 Schedule 4, item 14, page 21 (line 16), omit "1 January 2014", substitute "1 July 2014".
27 Schedule 4, item 14, page 21 (line 31), omit "1 January 2014", substitute "1 July 2014".
28 Schedule 4, item 14, page 22 (line 1), omit "1 January 2014", substitute "1 July 2014".
29 Schedule 4, item 14, page 22 (line 4), omit "1 January 2014", substitute "1 July 2014".
30 Schedule 4, item 14, page 22 (line 13), omit "1 January 2014", substitute "1 July 2014".
31 Schedule 4, item 14, page 22 (line 16), omit "1 January 2014", substitute "1 July 2014".
32 Schedule 4, item 14, page 22 (line 20), omit "1 January 2014", substitute "1 July 2014".
33 Schedule 6, item 20, page 44 (line 7), omit "1 January 2014", substitute "1 July 2014".
34 Schedule 6, item 21, page 44 (line 23), omit "1 January 2014", substitute "1 July 2014".
35 Schedule 6, item 25, page 48 (line 11), omit "1 January 2014", substitute "1 July 2014".
36 Schedule 6, item 25, page 48 (line 27), omit "1 January 2014", substitute "1 July 2014".
37 Schedule 6, item 28, page 63 (line 7), omit "1 January 2014".
38 Schedule 6, item 29, page 63 (lines 8 to 11), to be opposed.
39 Schedule 6, item 30, page 64 (line 5), omit "Note 1", substitute "Note".
40 Schedule 6, item 30, page 64 (lines 9 and 10), omit note 2.
41 Schedule 6, item 30, page 64 (line 34) to page 65 (line 9), section 1223ABG to be opposed.
42 Schedule 6, item 39, page 66 (line 25), after "subsection 1061ZVAB(3)", insert "of the 1991 Act".
43 Schedule 6, item 67, page 76 (line 35), omit "1 January 2014", substitute "1 July 2014".
44 Schedule 6, item 67, page 77 (line 16), omit "1 January 2014", substitute "1 July 2014".
45 Schedule 6, item 74, page 93 (lines 5 and 6), omit the note.
46 Schedule 6, item 75, page 93 (lines 10 to 24), to be opposed.
47 Schedule 8, item 1, page 111 (line 11), omit "1 March 2014", substitute "1 July 2014".
48 Schedule 8, item 3, page 111 (lines 16 and 17), omit "1 March 2014", substitute "1 July 2014".
49 Schedule 8, item 7, page 112 (line 12), omit "1 March 2014", substitute "1 July 2014".
50 Schedule 8, item 9, page 112 (lines 17 and 18), omit "1 March 2014", substitute "1 July 2014".

But I do understand that clauses 5, 38, 41 and 46 will need to be put separately.

Question agreed to.

The DEPUTY PRESIDENT: The question now is that schedule 1A and item 29, section 1223ABG in item 30, and item 75 of schedule 6 stand as printed.

Question negatived.

The DEPUTY PRESIDENT: All of the government's proposals have been agreed to.

Senator McLUCAS (Queensland) (11:51): by leave—I move amendments (6) to (10) on sheet 7456:
(6) Schedule 1, item 6, page 4 (lines 23 and 24), omit "in venues nationally".
(7) Schedule 1, item 12, page 5 (line 26), omit "in venues nationally".
(8) Schedule 1, item 12, page 6 (line 9), omit "in venues nationally".
(9) Schedule 1, item 12, page 6 (after line 15), after paragraph 20(2)(a), insert:

(aa) to ensure that a venue-based voluntary pre-commitment scheme operating in a State or Territory is capable of connecting to a State or Territory wide voluntary pre-commitment scheme that operates within the State or Territory; and

(10) Schedule 1, item 12, page 6 (lines 16 and 17), omit "this capability", substitute "these capabilities".

These amendments go to the question of responsible gambling. Labor in government worked very hard with the community to find a solution but, for various reasons, we were not able to get to the point where we found that solution. But we still strongly hold the view that problem gambling is a very real and a very serious issue in our country. For too many Australians gambling can be incredibly destructive. It affects over five million Australians including friends, families and employers of people with a gambling problem.

We commit to continue to engage with stakeholders to develop effective ways of addressing this very real issue. As a party we need to revisit this issue and determine the best way forward, together with stakeholders from right across the community—and that is what we will do. So today we are moving amendments that will ensure that venue based schemes have the capacity to connect to state-wide schemes.

Senator SIEWERT (Western Australia—Australian Greens Whip) (11:53): I indicate that the Greens will be supporting the amendments, particularly the substantive amendment—amendment 9—which is to ensure that a venue based voluntary precommitment scheme operating in a state or territory is capable of connecting to a state- or territory-wide voluntary precommitment scheme that operates within the state or territory. As my colleague Senator Di Natale indicated, we do not support this schedule because we see it as a significant step backwards in addressing this very significant scourge of problem gambling.

So we will not be supporting this schedule; however, we will be supporting this amendment. We understand that the opposition, with this amendment, will be supporting this schedule. We are indicating that we support this amendment but we will still be opposing this schedule because we do not believe this amendment significantly alters or improves the schedule enough for us to support it; but we do think it is a slight improvement, if it goes ahead, and I understand that it is. I hope that makes our position clear.

Senator XENOPHON (South Australia) (11:55): Can I just get some clarification. For similar reasons to Senator Siewert, I have real concerns about this. Has the government considered, in moving to a voluntary precommitment approach, that the independent research indicates that it does not work? And there is not even a semblance of requiring that machines be mandatory precommitment ready, which was previously the case in the former government's 2012 bill. So I just do not understand the basis on which they can reasonably and credibly say that voluntary precommitment will in any way work to deal with problem gamblers, particularly given the studies we have seen out of Nova Scotia and other jurisdictions that voluntary precommitment does not work.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (11:56): I am advised that there has not been testing of
efficacy of arrangements. There may have been in relation to the technical capacity to deliver arrangements but, in relation to comparing efficacy of voluntary versus mandatory, there has not been.

Senator XENOPHON (South Australia) (11:56): There you have it: no consideration given to the efficacy of whether it is voluntary or mandatory—efficacy as to how it will help problem gamblers. Honestly, that is absolutely reckless on the part of the government: no consideration given to the effectiveness of swinging towards a voluntary precommitment approach. Consideration being given to even having machines be mandatory precommitment ready might in some way have moderated the behaviour of some venues or the industry as a whole to know that that was something, like the Sword of Damocles, that could fall on them. The fact that there has been no consideration of the efficacy of these measures is truly quite shocking.

Question agreed to.

Senator McLUCAS (Queensland) (11:57): I move opposition amendment (12), opposing schedule 5:

(12) Schedule 5, page 23 (line 1) to page 38 (line 10), to be opposed.

This goes to interest charges to be applied to certain welfare debts. This measure from the government proposes to introduce interest charges on certain welfare debts. This includes debts incurred by people on Austudy, Youth Allowance and Abstudy.

Unfortunately, this government has already demonstrated its attitude to students. Frankly, it cannot be trusted on education. The students who will be affected by this measure are already on income support. Many of them are doing it tough. People on these welfare payments are already vulnerable. They do not need further punishment from a government that is already messing with their education for political purposes.

The government claims that the interest charges will encourage debtors to repay their debts in a timely fashion, but in reality it will do the opposite. By implementing interest charges on these debts the government is actually making it harder for people to repay those debts and making it harder for them to make ends meet.

Unfortunately, this government is treating students like political playthings. We have seen this with their approach to schools funding and now we are seeing it with this measure to hurt students by imposing further interest charges on low-income students. So Labor will not support the government's reform.

The TEMPORARY CHAIRMAN: The question is that schedule 5 stand as printed.

Senator SIEWERT (Western Australia—Australian Greens Whip) (11:59): Can I seek clarification. The Greens are opposing this schedule on the grounds that Senator McLucas just outlined. We think this is an appalling approach towards students, and it is revenue raising from students. I would have thought that we are supporting the amendment and therefore are not supporting the schedule as printed?

The TEMPORARY CHAIRMAN: I will call Senator McLucas to confirm the position of the opposition. You are opposing schedule 5?
Senator McLUCAS (Queensland) (12:00): That is correct.

Senator SIEWERT (Western Australia—Australian Greens Whip) (12:00): Thank you. I just needed to seek that clarification. The Greens do oppose this schedule. I made that clear when I gave my second reading contribution last year. I have a similar amendment that has been circulated, and it opposes this schedule. Obviously, if this amendment is dealt with now I will not need to move my amendment. But I want to be really clear that we oppose this measure—we will be voting to oppose this measure and supporting the amendment Senator McLucas just moved.

The TEMPORARY CHAIRMAN: The question is that schedule 5 stand as printed.

Question negatived.

Senator McLUCAS (Queensland) (12:01): I move amendment (4) on sheet 7456:

(4) Clause 2, page 2 (cell at table item 3, column 1), omit the cell, substitute:

3. Schedules 3 and 4

The TEMPORARY CHAIRMAN: The question is that amendment (4) on sheet 7456 be agreed to.

Question agreed to.

Senator McLUCAS (Queensland) (12:02): I move opposition amendment (13) on sheet 7456, which opposes schedule 6:

(13) Schedule 6, page 39 (line 1) to page 102 (line 12), TO BE OPPOSED.

This goes to the question of student start-up loans. We will not be supporting the student start-up loans that have been proposed in the legislation. The measure seeks to convert the current Student Start-Up Scholarship program into an income-contingent loan program to be offered to full-time higher education students in receipt of Youth Allowance, Austudy or Abstudy.

When we were in government we did propose a similar measure. But make no mistake our measure had one purpose alone: to fund the Better Schools Plan. Today, as we know, that plan lies in tatters. Despite going to the election on a so-called unity ticket, when it comes to school funding the government have now walked away from Labor's Better Schools Plan. They have refused to commit the $14.65 billion in additional funding for schools that was promised by the Labor Party. They have given no assurance that the states will not cut school funding. This government cannot be trusted on education, whether it be primary or secondary schools, higher education or vocational education. Now there is no sign that they would use the funds from this measure for education. This is a cut just for a cut's sake, and the Labor Party will not support it. That is why we are opposing its inclusion in today's legislation. We are opposing this, just as we opposed the measures in the higher education support amendment bill, which has been discussed.

Senator SIEWERT (Western Australia—Australian Greens Whip) (12:04): The Greens have a similar amendment to this, and that is to oppose this whole schedule. This will have an unacceptable impact on students in this country. Senator McLucas has outlined those concerns, and we support those concerns. We do not believe this is acceptable essentially to fundraise from students. They are students, and students' education is absolutely critical. This threatens it and threatens their access to high-quality education, and for that reason we have circulated a similar amendment. Obviously if this amendment gets up we will not need to
move our amendment. We will be supporting this amendment, which means of course that we will be voting 'no' to the schedule standing as printed.

The TEMPORARY CHAIRMAN: The question is that schedule 6, as amended, stand as printed.

Question negatived.

Senator McLUCAS (Queensland) (12:06): by leave—I move opposition amendments (1) and (5) on sheet 7456, together:

(1) Title, page 1 (line 11), omit "student assistance,"
(5) Clause 2, page 2 (table item 4), omit the table item.

Question agreed to.

Senator McLUCAS (Queensland) (12:06): I move opposition amendment (14) on sheet 7456:

(14) Schedule 7, page 103 (line 1) to page 110 (line 24), omit the Schedule, substitute:

Schedule 7—Paid parental leave Paid Parental Leave Act 2010

1 Section 4 (paragraph relating to Part 3-5)
Repeal the paragraph, substitute:

Part 3-5 is about employer determinations. If an employer determination is in force for an employer and a person, the employer must pay instalments to the person, unless the employer employs less than 20 employees. In that case, the employer may elect to pay instalments to the person. The Secretary must be satisfied that certain conditions have been met before the Secretary can make an employer determination.

2 Section 6 (definition of acceptance notice)
Omit "section 103", substitute "paragraphs 103(1)(a) and (2)(a)".

3 Section 6 (definition of employer determination)
Omit "section 101", substitute "subsections 101(1) and (1A)".

4 Section 6
Insert:

*non-acceptance notice*: see paragraph 103(2)(b).

5 Section 100 (first paragraph)
Repeal the paragraph, substitute:

This Part is about employer determinations. If an employer determination is in force for an employer and a person, the employer must pay instalments to the person, unless the employer employs less than 20 employees. In that case, the employer may elect to pay instalments to the person.

6 Section 100 (third paragraph)
Repeal the paragraph, substitute:

If the Secretary makes an employer determination for a person and the person's employer and the employer employs 20 employees or more, the employer must:

(a) give the Secretary certain information to enable the Secretary to pay the employer PPL funding amounts for the person; or

(b) apply for review of the employer determination under Part 5-1 or 5-2.
If the Secretary makes an employer determination for a person and the person's employer and the employer employs fewer than 20 employees, the employer may elect to pay instalments to the person. If the employer does not make an election, the Secretary must pay instalments to the person.

7 Subsection 101(1)
Omit "under this section", substitute "under this subsection".

8 After paragraph 101(1)(a)
Insert:

(aa) the employer employs 20 or more employees; and

9 After subsection 101(1)
Insert:

(1A) The Secretary must make a determination under this subsection (the employer determination) that a person's employer is to pay the person instalments if the Secretary is satisfied, when making the determination, that:

(a) a payability determination that parental leave pay is payable to the person, or an initial eligibility determination for the person, is in force; and

(b) the employer employs fewer than 20 employees; and

(c) the employer has made an election under section 109 to pay instalments and that election applies to the person; and

(d) the person has consented in the claim to the employer paying instalments to the person; and

(e) if paragraphs (b) to (d) are satisfied in relation to more than one employer of the person—the person nominated the employer in the claim as the employer who would be required to pay instalments to the person.

10 Paragraph 101(3)(a)
After "subsection (1)" , insert "or (1A)".

11 Paragraph 101(3)(b)
After "paragraph (1)(a)" , insert "or (1A)(a)".

12 Subsection 101(4)
Omit "subsection (1)" , substitute "subsections (1) and (1A)".

13 Section 103
Repeal the section, substitute:

103 Employer response to notice of employer determination

(1) If an employer is given a notice under section 102 that an employer determination has been made under subsection 101(1), the employer must, within 14 days after the date of the notice, do one of the following:

(a) give the Secretary a written notice (the acceptance notice) that complies with section 104;

(b) apply for a review of the employer determination under Part 5-1 or 5-2.

Note: This subsection is a civil penalty provision (see section 146).

(2) If an employer is given a notice under section 102 that an employer determination has been made under subsection 101(1A), the employer may, within the period referred to in subsection (3):

(a) give the Secretary a written notice (the acceptance notice) that complies with section 104; or
(b) give the Secretary notice (the non-acceptance notice), orally or in writing, declaring that the employer does not accept the employer's obligations to pay instalments to the person.

(3) For the purposes of subsection (2), the period is 14 days, or such longer period allowed by the Secretary, after the date of the notice given under section 102.

14 Paragraph 106(c)
After "subsection 101(1)"", insert "(1A)".

15 Subsection 108(1) (after table item 1)
Insert:

| 1A | The employer has given a non-acceptance notice for the person under paragraph 103(2)(b). | The day of the revocation. |

16 Subsection 108(1) (table item 2, column 1)
Omit "section 103", substitute "subsection 103(1)".

17 Subsection 108(1) (after table item 2)
Insert:

| 2A | The employer has not given an acceptance notice or a non-acceptance notice for the person in the period referred to in subsection 103(2). | The day of the revocation. |

18 Section 146 (cell at table item 10, column 1)
Repeal the cell, substitute:

Subsection 103(1)

19 Paragraphs 157(1)(b) and 159(1)(b)
Omit "section 103", substitute "subsection 103(1)".

20 Subsections 203(2) and 207(1)
Omit "section 101", substitute "subsection 101(1)".

21 Subsection 207(5)
Omit "section 103", substitute "subsection 103(1)".

22 Subsection 207(5) (note)
Omit "Section 103", substitute "Subsection 103(1)".

23 Application of amendments
The amendments made by this Schedule apply in relation to an employer determination that is made on or after the commencement of this Schedule in relation to a claim for parental leave pay that is made before, or on or after that commencement.

This goes to the Paid Parental Leave scheme changes. The legislation the government is proposing seeks to remove the role of the employer in administering paid parental leave for its employees, and give that function to Centrelink. The amendments Labor is proposing today limit the applicability of this measure to employers with 20 employees or fewer. These amendments get the balance right and reflect the sensible position that we took to the 2013 federal election.

Already more than 340,000 women have accessed Labor's Paid Parental Leave scheme—Australia's first paid parental leave scheme—since it was introduced in January 2011. Around 40,000 dads and same-sex partners have accessed Labor's Dad and Partner Pay since this progressive scheme began in 2013. We are very proud of having introduced Australia's first
paid parental leave scheme. We note there is a growing chorus of people, including from big
ty business and within the coalition’s own ranks, calling on the Prime Minister to shelve the
government’s unfair and, frankly, unaffordable Paid Parental Leave scheme.

When we designed Australia's first paid parental leave scheme we included the employer
role for a number of really important reasons. It was included to help employers retain their
skilled staff. It was also a way of enabling women to remain connected to their workplace and
their careers when they take time out of the workforce to have a baby or adopt a child. As the
scheme progressed we listened to business and understood that in tough economic
environments small businesses needed to be able to devote their scarce time to adapting and
thriving in a changing economy. That is why we adopted the position reflected in these
amendments: to enable small business to streamline administration and have Centrelink
administer paid parental leave on their behalf. These amendments strike the right balance.
They provide for employers to be able to maintain a relationship with their employees while
they are on paid parental leave. They also allow small businesses to choose for Centrelink to
administer paid parental leave on their behalf if it suits them.

The government’s bill abolishes the role of the employer in its entirety. It does not strike
the right balance. It severs that really important link between an employer and its employees.
This is not good for women and their families and, frankly, it is not good for employers, and
that is why we have made the amendments.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and
Assistant Minister for Social Services) (12:09): On the previous amendments I resisted the
temptation to get to my feet because I think it is pretty self-evident that the amendments
related to savings measures that the previous government introduced but no longer supports.
Political opportunism is the clear reason why that is the case. We will leave that as read.

I want to briefly rise on the issue of who services the paymaster for the current PPL
scheme. I indicate that it was a clear position that the government, when in opposition, took to
the last election. The reasons are straightforward: to ease administrative burdens on business;
we are seeking to remove the mandatory employer role from the PPL scheme; and employers
will still be able to opt in to provide parental leave pay to their employees if both the
employer and the employee agree to this arrangement. This measure, we believe, contributes
to the government’s commitment to reduce red tape for business and responds to feedback
from employer groups that the mandatory paymaster role was an unnecessary impost,
particularly for small business. This is something that the government feels very strongly
about.

Senator SIEWERT (Western Australia—Australian Greens Whip) (12:11): I indicate that
the Greens original position was to oppose this particular schedule, but, given the ALP’s
amendment, we will be supporting the ALP amendment because it makes this provision
slightly better. We had a number of concerns about this particular schedule. One of them was
that it takes the emphasis off this being a workplace right to being more welfare focused. A
number of witnesses to the inquiry indicated their concern about that. We continue to be
concerned, but this amendment makes this schedule slightly better, so we will be supporting
this amendment.

The TEMPORARY CHAIRMAN: The question is that the amendment be agreed to. We
are dealing with opposition amendment (14) on sheet 7456.
Question agreed to.

**Senator McLUCAS** (Queensland) (12:12): by leave—I move opposition amendments (15) and (17) on sheet 7456:

(15) Schedule 9, items 1 to 5, page 114 (lines 4 to 19), **to be opposed**.
(17) Schedule 9, item 10, page 115 (lines 8 and 9), **to be opposed**.

These amendments go to the Child Care Rebate and the extension of the pause on the annual Child Care Rebate limit. Labor has always been a strong supporter of increased support for Australian families struggling to meet the costs of child care. When we were in government we increased the Child Care Rebate from 30 per cent to 50 per cent. The government has admitted it is planning to freeze the Child Care Rebate cap until 2017. This makes an absolute mockery of any claims that this government wants to make child care affordable for families and it completely undermines the government review of child care.

The government's actions speak far louder than their words. Their actions will push up childcare costs for Australian families already struggling to make ends meet. I cannot see any way that the government can justify freezing the indexation when they have repeatedly argued that it would have a devastating impact on families if they do not implement the Early Years Quality Fund. Labor will oppose this measure.

**Senator SIEWERT** (Western Australia—Australian Greens Whip) (12:13): Senator McLucas, can I be really clear about the amendments you have just moved? You have just moved amendments (15) and (17).

The TEMPORARY CHAIRMAN: Senator Siewert, I might be able to assist. We are dealing with opposition amendments (15) and (17) on sheet 7456, and the opposition has foreshadowed that, when it comes to a vote, the opposition will be voting no to the items. They are identical in their terms to your subsequent amendments. The question is that items 1 to 5 and item 10 of schedule 9 stand as printed.

Question negatived.

Senator McLUCAS (Queensland) (12:15): I move opposition amendment (16) on sheet 7456 that is consequential to the decision that was just made:

(16) Schedule 9, page 115 (lines 6 and 7), omit the heading.

**Senator SIEWERT** (Western Australia—Australian Greens Whip) (12:15): With that clarification earlier, I did not make our position clear on the reasons for that, so I will take this opportunity, with this consequential amendment, if that is okay with you.

The TEMPORARY CHAIRMAN: Yes, Senator Siewert.

**Senator SIEWERT**: The Greens, as just indicated, are supporting this amendment. We have similar amendments. To be clear, this is about splitting that particular schedule, because that schedule does two things: it freezes the indexation on family tax benefit A and B—in fact, continues that freeze—and also deals with the childcare amendment. We have split that off. We are dealing with the freezing of the indexation of the childcare amendment, because that will have very significant consequences—whereas the indexation and family tax A and B is continuing that freeze on the upper limit. We thought that was reasonable, in the circumstances, but the freezing of the indexation of the childcare rebate is not reasonable. It

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CHAMBER
impacts on hundreds of thousands of families, parents and their children. So we do not think that is an appropriate measure for the government to be taking.

_An honourable senator interjecting—_

**Senator SIEWERT:** And, as my colleague just said, it is a break of promise. We also circulated amendments last year opposing the split of this particular schedule, so it could be dealt with in two parts. This is essentially what we are doing now.

**Senator FIFIELD** (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:17): I will take the opportunity, since we are pausing here for a moment, to make the observation that this particular measure the government is proposing is one that was put forward by the previous government. The opposition came up with a range of rationales as to why the world is an entirely different place and the commitment can no longer stand. I just wish to note that and do not wish to detain the chamber any longer.

**The TEMPORARY CHAIRMAN:** The question is that Senator McLucas's amendment be agreed to.

Question agreed to.

**Senator SIEWERT** (Western Australia—Australian Greens Whip) (12:18): Although it is not on the running sheet, because there was some delay in getting the amendment circulated, I have circulated a series of amendments, some of which are no longer relevant, but there are others that are. I cannot move all of the amendments at once on this sheet; I need to deal with all of them separately. I will move amendment (1) on sheet 7462, which relates to the gambling schedule, schedule 1. As I articulated in my contribution in the discussion that we had on the amendments from the opposition, I indicated we would be supporting those amendments because they slightly improve that provision. We do not support this schedule, for the reasons that were very well articulated by my colleague Senator Di Natale. We do not support the weakening of what we already thought was a very weak approach to problem gambling. So we will seek to exclude this particular schedule from this bill.

**The TEMPORARY CHAIRMAN:** These amendments have not been circulated widely as yet and so, to some extent, we are dealing with them on the run. I am advised by the Clerk that amendment (1) and amendment (7) address the same issue—that is, gambling—and that amendment (7) is the matter of substance, whereas amendment (1) is the consequential amendment.

**Senator SIEWERT:** I beg your pardon. These have not been circulated and are not on the running order, so it is slightly confusing, and I will move Greens amendments (7) and (1) first.

**Senator McLucAS** (Queensland) (12:21): We have only just got these, which makes it a little difficult. My understanding is the effect of your amendment (7) and then the consequential amendment (1) would be to remove the schedule completely. Given that, and the amendment earlier made, we will not be supporting your amendments.

**Senator SIEWERT** (Western Australia—Australian Greens Whip) (12:21): I once again apologise. I thought these amendments had been circulated. They were put on my desk quite some time ago. I did indicate some time ago, when I made my second reading contribution, that we would be opposing a number of these schedules. To answer your question, Senator

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**CHAMBER**
McLucas, the intent of this amendment would be to completely remove that schedule, as I articulated earlier in my contribution. I move Greens amendment (7) on sheet 7462:

(7) Schedule 1, page 4 (line 1) to page 8 (line 9), **to be opposed**.

**The TEMPORARY CHAIRMAN:** We are dealing with Greens amendment 7. The question is that the schedule stand as printed.

The Senate divided. [12:27]

**The Acting Deputy President—Senator Bishop**

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**NOES**

|      | Di Natale, R |
|      | Hanson-Young, SC |
|      | Milne, C |
|      | Rhiannon, L |
|      | Siewert, R (teller) |
|      | Siewert, R (teller) |
|      | Whish-Wilson, PS |
|      | Wright, PL |
|      | Xenophon, N |

Question agreed to.

**Senator SIEWERT** (Western Australia—Australian Greens Whip) (12:30): I move Greens amendment (9) on sheet 7462, which relates to schedule 2 of this omnibus bill:

(9) Schedule 2, page 10 (lines 1 to 6), **to be opposed**.

This relates to income management and, specifically, to the trial in Cape York, with the income management process that is going on there. I think the Greens concerns about income management have been articulated in this chamber on many occasions. We do not believe that this is the appropriate approach. I acknowledge that the income management process and the
Families Responsibilities Commission process being undertaken in Cape York are significantly different to those being undertaken in the Northern Territory, however we do not believe that the results up there justify the large expense to deliver that. We do not believe that the impacts that it has on those that are affected by it justify the means. We do not believe that it is worth the investment. We believe a more thorough analysis of that trial should be undertaken, as compared to other approaches that can be taken. And we believe that the broader community needs to have a say on whether they want it to proceed or not.

I also point out that the Parliamentary Joint Committee on Human Rights, when they reported on the Stronger Futures package, made fairly strong comments around income management and on the fact that it intrudes on people's personal freedom and autonomy. We are concerned that the Abbott government is talking about increasing income management. I understand from estimates that there is a report which, if it has not already been handed up, is about to be handed up to the government, on the place-based trials that are going on around Australia.

I continue to get very negative feedback from communities about the impact of income management. It is an extremely expensive process that does not deliver the results but which impacts on people's autonomy and personal freedom. It is seen by many in the community as paternalistic. It is a very expensive program, and we believe that those resources should be spent in a much more effective manner that consults with people and delivers on long-term change. Income management was originally supposed to be short term—applied for a relatively small amount of time—and, supposedly, aimed at changing people's behaviours.

It is not short term. It has been going on for a significant period of time—in fact, since 2007. People's behaviour, in many cases, has not changed. In fact, they have become more dependent on the process. We need to look at long-term change. The continuation of this particular approach results in more of the same, and not learning from the mistakes of the past. We do not believe that this is an appropriate expenditure of resources. We believe that we can better invest those resources in achieving long-term change that does not impinge on people's personal rights and freedoms, that allows them to change their management approach to their resources, and that is intended to change other behaviours. You do not change behaviours by a punitive approach, and this program is a punitive approach.

I do understand that it is different, but it is not significantly different. People end up being income managed. We do not believe it works. We do not believe it is a good investment. We believe that we should be investing those very scarce resources in programs that do work, on an evidence based approach, because that is what delivers the results—not ideology. Income management was always based on ideology. It does not deliver. It should not be part of a modern approach to helping and supporting the most vulnerable in our community. That is why we are seeking to cut this measure out of this bill and why we oppose schedule 2.

**Senator McLUCAS (Queensland) (12:34):** I will not take a lot of the committee's time, but I have to put on the record that, in government, we have been strong supporters of the Cape York welfare reform trials. To respond to Senator Siewert's comments, I think there certainly is evidence that we are achieving the objectives of these trials—that is, improving school attendance, restoring local authority, supporting families and, particularly, encouraging parental responsibility and leadership as a part of those reforms.
The Family Resources Commission is central to the delivery of this trial. It has connected with many, many families in Aurukun, Hope Vale, Mossman Gorge and Coen. We are seeing behavioural change. That was the intention of the trial. For that reason Labor will be supporting the government's extension to the dates. That is, essentially, all this schedule does.

**The TEMPORARY CHAIRMAN:** The question is that schedule 2 stand as printed.

Question agreed to.

**Senator SIEWERT** (Western Australia—Australian Greens Whip) (12:36): I move Greens amendment (10) on sheet 7462:

(10) Schedule 3, page 11 (line 1) to page 16 (line 21), **to be opposed**.

This addresses schedule 3. Schedule 3 relates to the family tax benefit and we are opposed to this schedule. This schedule seeks to limit the eligibility to family tax benefit A so that it can only be paid in respect of children aged over 16 until the end of the calendar year in which they finish senior secondary school. The amount of money saved over four years is relatively small, but during the committee inquiry we heard, I think, enough evidence to question the effectiveness of this schedule. It is a savings measure but it could have particular impacts on certain students because of the way it is being applied. Once students finish secondary school and before they go on to a possible university entrance, there is a period of time between the end of the financial year and when they start tertiary education. The issue here is that, for some students who do not get into university, there may be a period of time when they do not have any financial support. We are concerned that low-income families in particular would be most hit by this.

While in theory it sounds like a good, easy saving for the government, it could have consequences, albeit for a relatively small number of students, but those students, in low-income families that do not have that support, are always going to be the most vulnerable. Those families rely on that sort of support. For that reason, we believe this amendment is ill conceived. We are concerned about those most vulnerable low-income students—or sometimes they may in fact not be students because they do not get entrance to either tertiary education, meaning they are in the process of looking for work, or other forms of study. We are concerned, basically, about unintended consequences. So we do not support this schedule and believe it should be deleted from this package in this bill.

**The TEMPORARY CHAIRMAN (Senator Mark Bishop):** The question is that schedule 3 stand as printed.

Question agreed to.

**Senator SIEWERT** (Western Australia—Australian Greens Whip) (12:39): I move Greens amendment (11) to schedule 4 on sheet 7462:

(11) Schedule 4, page 17 (line 1) to page 22 (line 22), **to be opposed**.

This schedule relates to the period of Australian working life residence. It changes the period for pensioners who were born overseas and their period of working life in Australia. I was contacted by a number of people who were concerned about this measure and the impact it may have on them. We are concerned that it is changing the rules. Therefore, given the impact it potentially has on people who have been working for a significant period of time, particularly as we know how hard it is for older Australians to find work, we believe this represents an extra degree of uncertainty for pensioners and that it has an unfair impact on...
older Australians who have been working here a significant period of time and made a significant contribution to our economy. So we do not support this amendment to the legislation. We oppose this measure and seek to delete it from the package which, as I said, makes up this omnibus bill.

The TEMPORARY CHAIRMAN (Senator Mark Bishop): The question is that schedule 4 stand as printed.

Question agreed to.

Senator SIEWERT (Western Australia—Australian Greens Whip) (12:40): The rest of the Greens amendments either were contingent on the success of the first amendments, which, of course, went down in a screaming heap, or were dealt with when the committee considered the opposition amendments.

Bill, as amended, agreed to.

Bill reported with amendments; report adopted.

Third Reading

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:42): I move:

That this bill be now read a third time.

The ACTING DEPUTY PRESIDENT (Senator Mark Bishop): The question is that the bill be read a third time.

The Senate divided. [12:47]

The Acting Deputy President—Senator Bishop

Ayes ..................... 38
Noes ...................... 10
Majority ............... 28

AYES
Bernardi, C
Birmingham, SJ
Brown, CL
Cameron, DN
Colbeck, R
Cormann, M
Edwards, S
Fawcett, DJ
Kroger, H
Lundy, KA
McEwen, A
McLucas, J
O’Sullivan, B
Peris, N
Ruston, A
Seselja, Z
Smith, D
Thorp, LE
Urquhart, AE

Noes

Bilyk, CL
Bishop, TM
Bushby, DC
Carr, KJ
Collins, JMA
Dastyari, s
Farrell, D
Fifield, MP
Lines, S
Marshall, GM
McKenzie, B (teller)
O’Neill, DM
Parry, S
Pratt, LC
Ryan, SM
Singh, LM
Stephens, U
Tillem, M
Williams, JR
Question agreed to.
Bill read a third time.

MATTERS OF PUBLIC INTEREST

The ACTING DEPUTY PRESIDENT (Senator Mark Bishop) (12:50): Order! It being 12.50 pm, I call on matters of public interest.

South Australia: State Election

Senator BIRMINGHAM (South Australia—Parliamentary Secretary to the Minister for the Environment) (12:50): I rise to contribute to this matters of public interest debate on a matter of extreme importance to my home state of South Australia. In just 10 days time, on Saturday, 15 March, South Australia will reach a crossroad—a defining moment for the state's future. It will be a moment in which South Australians will choose whether to continue down the same path—a path that is taking South Australia in the direction of becoming truly a mendicant state, reliant almost entirely upon the largesse of the federal government, upon redistribution of wealth from other states and upon government spending, seeing the continual demise of any sense of industry, private enterprise or job creation in South Australia—or to change direction, to take a new path in which it has a strong and prosperous future, where it works to restore its competitiveness, where it works to again become a productive and innovative state. These are the stark choices that South Australians face on 15 March when the state election is held.

It is perhaps an indictment of the campaigning skills of my party that we have governed in South Australia for only 11 of the last 44 years. We have won only three of the last 13 elections. While these statistics may show that the Labor Party have been better political campaigners, it also demonstrates that the state of affairs in South Australia is the sole responsibility of the Labor Party and that the melee and the rot that have set into the South Australian economy sits firmly at the feet of the Labor Party, who have governed the state in the overwhelming majority of the last four decades.

Let the facts speak for themselves. On an economic front, CommSec's State of the States report released in December last year found South Australia to have the worst economic performance of the mainland states. SA was the fifth state for business investment in terms of economic rankings, and then either sixth or seventh on every other economic performance indicator. Deloitte, in their December 2013 economic growth forecast, found South Australia's potential economic growth for 2014-15 to be the worst of all states. That is not just mainland states but all states. It had a growth rate at half of the national rate.

The Australian Bureau of Statistics, in September 2013, found that South Australia's state final demand contracted by half a per cent in the September quarter. It is the only state to so
contract. The South Australian economy, measured by state final demand and net exports, contracted overall by 1.1 per cent in the September quarter. Deloitte, in their December 2013 report, found that in 2012-13 SA was the only state to record a decline in exports. They went on to forecast that exports from South Australia were expected to continue to decline in each of the next two years. The ABS found that spending on mining exploration in South Australia fell by 48 per cent in the 12 months to September 2013. Again, it is the worst result of all the states. Quarterly SA mining exploration spending sits at an eight-year low.

Retail trade, a good sign of where consumer sentiment sits, grew in SA by 1.3 per cent in the last 12 months, as compared to a national increase of 3.2 per cent. Once again, it is the worst result of all the states. This is reflecting itself in population trends as it affects South Australia. SA’s population growth of 0.9 per cent in 2012-13 was half of the national growth rate and the lowest on the mainland. Net interstate migration out of SA rose by 78 per cent in 2012-13. Under the current Labor government, in net terms, 34,000 people have left South Australia. They are voting with their feet.

The ABS also found that in the last two years the number of venture capital investee companies in SA decreased by 36 per cent, demonstrating that the future looks rather grim in terms of new innovation and investment. Whilst, on the other side of the ledger, insolvencies in 2013 increased from 394 to 452. That is the highest single figure in 15 years in South Australia. It is an increase of 14.7 per cent in just 12 months. Again, it is the worst of all the states.

NAB, in their small business conditions report of 2013, found that South Australian businesses have the worst business conditions on the mainland, the worst business confidence on the mainland and the weakest cash flows on the mainland. Clearly, the state of the economy in South Australia is in a parlous position and it is something that desperately needs turning around. This reflects itself in jobs, because economic statistics are just statistics. How they play out is in the jobs and economic opportunities for individual people.

In the employment market, South Australia has the sad statistic of having the highest percentage of underemployed workers on mainland Australia. In the year to September 2013, the number of underemployed workers increased by 11,200 or 18 per cent. The state has lost 25,000 full-time jobs since the 2013-14 state budget was released. Just in that period of time, some seven or eight months, there were 1,000 full-time jobs lost according to the ABS in January. South Australia’s unemployment rate, at 6.6 per cent, is the highest on the mainland and has been persistently so under this Labor government. They are at 26 per cent, with more South Australians jobless under this government.

South Australia's jobs in total declined by 1.9 per cent last year. That is the worse result of all the states. The youth jobless rate climbed from 34.4 per cent to 36.1 per cent in January of this year. Once again, it is the highest in the mainland states. The national rate stands at 27.8 per cent, for comparison, which is nearly 10 points lower. People are checking out of the labour market because of the dire straits of the economy and the jobs market. South Australia's trend workforce participation rate stands at 61.9 per cent, which is the lowest level it has been for eight years. Again, it shows that South Australians are in some ways giving up hope.

Worse still, despite a tanking economy and a parlous jobs record, South Australians are facing ever escalating cost-of-living pressures. In the 12 years of this Labor government,
South Australia's CPI has increased 39 per cent, housing rentals have increased 53 per cent, property charges have gone up 87 per cent, state taxes have gone up 92 per cent, gas bills have gone up 136 per cent, electricity bills have gone up 140 per cent and water bills—thanks to the mismanagement of water investments by the state government—have gone up 227 per cent. South Australians face a situation where they have less chance of getting a job and less chance of earning an income, and yet they have ever increasing costs that they have to bear.

All of this is equally reflected in the mismanagement of the state's budget. We saw a worsening, by some $380 million, in the state's budget position in just 50 days since the mid-year budget update. We see deficits piling up on top of one another—six deficits in seven years. Labor promised in the time that they would deliver $2.6 billion in surpluses. Instead they have delivered $2.9 billion in deficits. Debt has blown out by $14 billion in 2016 and it increased under Labor by $4.1 million a day over the last eight years. Another blow-out of $212 million is forecast for state debt in 2017-18. Interest on that debt will be around $1 million per day by 2017, which is more than the state's entire police budget. Total liabilities will soon exceed $25 billion. All of this debt is mounting up despite the fact that South Australia is the highest taxed state in the nation.

South Australia's workers compensation levy rate sits at 2.75 per cent, compared to a national average of 1.76 per cent. And what do the credit rating agencies have to say about the outlook for South Australia's budget? Standard and Poor's, in September 2013, found 'the budgetary performance to be very weak, debt burden rapidly rising to a sizeable level, and assumptions within the state's budget in recent years were lower than forecasted'. They have downgraded South Australia's rating five times in two years. Moody's found 'the rapid rise in SA's debt burden flags potential deterioration, an economic profile that is weaker than other states, and the government's resolve to implement measures necessary to reverse budget deterioration has diminished in recent years'.

It is indeed a sorry state of affairs. It is little wonder, though, that Labor do not seem capable of turning it around in SA, because the Premier himself does not really seem to know what the problem is. On 20 June 2012 the Premier admitted to the parliament that 'we are a high-cost jurisdiction'. And yet, on 5AA radio during the election campaign just recently, he said: 'Let's get away from this nonsense about South Australia being a high-cost jurisdiction.' Well, the truth is that South Australia is a high-cost jurisdiction and, just as high costs from the Commonwealth have crippled much of the nation's economy, it is those high costs in South Australia that are crippling the South Australian economy and impacting on jobs in SA.

I said at the outset that the state faces a decision point, a crossroads, on 15 March—and indeed it does. The choice is between a government which, Mr Weatherill admits, believes government is the solution and a government under Steven Marshall and the state Liberals which would get government out of the way and restore a level of competitiveness. If elected, Steven Marshall's government will not go ahead with Labor's new car-parking tax which would add another level of tax to the South Australian economy—another $26 million per annum tax to the state's city centre itself. He will implement reforms to our land tax regime—the highest in the nation. He will increase from $316,000 to $400,000 the threshold for land tax and he will decrease from 3.7 per cent to three per cent the peak rate of land tax for properties valued up to $5 million.
Steven Marshall will implement reforms to payroll tax. Currently South Australia's $600,000 payroll tax threshold is the second lowest of all states, meaning payroll tax is paid by many more small businesses in South Australia than in other states. The reforms that the Marshall government, if elected, will implement will result in savings to more than 8,000 businesses, ensuring more than 1,100 businesses will no longer have to pay payroll tax. It will provide savings of up to $9,000 per year to businesses and make South Australia's payroll tax regime, for small businesses with wages of $800,000 per annum or less, more competitive than Victoria, New South Wales and Western Australia and in line with Tasmania and Queensland.

These are just some of the concrete policy proposals that the Marshall Liberal team have put out to provide a very clear point of difference to Labor's high-spending, high-taxing, high-debt, high-waste ways. A Marshall government will be a leaner government, a smaller government, a government of less tax that will set South Australia on a pathway to restore its level of competitiveness, allow it to compete and be productive, and align it with the direction in which the federal government is going to restore business confidence and competitiveness overall. I urge my fellow South Australians to embrace change on 15 March and allow our state to return to its heyday.

Queensland: Legislation

Senator THORP (Tasmania) (13:05): Today many of us take for granted the presumption of innocence, freedom of association and our right to be treated equally before the law. Similarly we assume the judiciary is free to make independent decisions unshackled by government agendas. Unfortunately the recent anti-association legislation in Queensland, which was rushed through in the middle of the night without community consultation or expert guidance, places all these democratic fundamentals in peril. Whilst this is happening thousands of kilometres away from my home state of Tasmania, I am deeply concerned that, if we do not all speak out, these laws could set a reprehensible precedent for the rest of the country in the race to the bottom.

You have probably heard references in the mainstream media to Queensland's tough new bikie laws. While the Newman government is probably very happy with this characterisation, a more appropriate tag would be 'draconian new anti-rights regime'—because the truth is that the legislation contains no reference to bikies at all. Instead it calls upon a list of all those associations—which can be defined by the government of the day with no evidence or justification. Instead of the government having to prove that an organisation is involved in illegal activity the long-held legal principle of burden of proof has been reversed so that the accused must prove that the group is not involved—in many cases a near impossible task. Worse, the government can change and update the list on a whim, with no need for parliamentary scrutiny or legislative changes.

The infamous Vicious Lawless Association Disestablishment Act, VLAD Act, is even more broad, defining an association as:
(a) a corporation;
(b) an unincorporated association;
(c) a club or league;

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(d) any other group of 3 or more persons by whatever name called, whether associated formally or informally and whether the group is legal or illegal. This makes for pretty big crosshairs that could be applied to virtually any group of people, if the government felt so inclined. The truth is that there is nothing in the legislation to prevent the government from using the list to target any group that happens to fall out of favour at the time. Today it is bikies; tomorrow it could be unions, members of environmental groups or anyone else who attracts the ire of the government. The Queensland Law Society agrees, saying: 'The wording in the legislation is so broad that sporting associations, workplaces and even book clubs could be at risk.'

Interestingly, criminologist Terry Goldsworthy, said that of the 26 declared groups many of them had only a handful or no recent offences against their name. The new laws also make it illegal for members of proscribed groups to meet in public. Let us be clear: there does not need to be any evidence of a crime having been committed; the mere presence of two others is enough to have you charged. We have seen the result of that in the infamous case where five suspected bikies were arrested in the Yandina pub in November and charged under the new laws. They were denied bail and remanded in solitary confinement until a hearing. Months later, one is still incarcerated. Freedom of association is a vital democratic right. The fact that the Newman government are willing to rip it away just shows how little they understand its importance. Nor do you have to be a member of a bikie gang itself. There are provisions that state that anyone ‘who has taken part on any one or more occasions in the affairs of the association in any other way’ can also be subjected to the same draconian rules—like librarian and mother of three, Sally Keuther, who was arrested and held in custody for six days after she wore club colours at a Dayboro pub with her partner and another man, who were both alleged associates of a declared lawless association. Mrs Keuther now faces a mandatory six-month jail sentence. However, I am not sure this means that the people of Queensland will sleep safer in their beds at night.

The laws also remove the presumption of bail, which has raised the shackles of many who see this as a direct act of political interference. Supreme Court Justice Fryberg stood up for the independence of the judiciary, when he stayed a bikie bail application after voicing concerns that the government was trying to influence his court.

But these laws do not stop at removing the right to freedom of association, reversing the onus of proof and weakening judicial independence. The Premier himself insinuated that members of bikie gangs do not even have a right to legal representation when he accused lawyers who represent the accused of being 'hired guns' of the 'criminal gang machine'. These are outrageous comments that give us great insight into the government's outrageous disdain for due process.

And it gets even worse. Once charged, the accused can be locked in solitary confinement for up to 23 hours a day, in a space reported to be the size of a dining table, with half the standard daily food rations and no access to gym equipment or a television. Tony Fitzgerald captured the inhumanity of this situation when he said:

It is incomprehensible that a modern, informed, civilised community like Queensland is unnecessarily imprisoning accused persons in solitary confinement before they have even been tried and unnecessarily incarcerating convicted prisoners in solitary confinement for years.
In a further act of puerile chest beating, the conservative Queensland government also dresses accused persons in pink overalls, as if it somehow believes that there is a link between humiliation and a reduction in the crime rate. This is nothing more than juvenile bullyboy antics that do not befit our elected representatives.

Those group members who are charged with a serious crime will have an extra 15 years added to their sentence. For group office holders, the mandatory time to be served goes up to 25 years. The right to parole is also revoked during the mandatory sentence period. This is fundamentally undemocratic and tears to shreds the concept of all being equal in the eyes of the law.

On the issue of mandatory detention New South Wales Bar Association president, Phillip Boulten SC, said:

It isn't effective, it's not a deterrent, it just leads to more people being locked up for no good purpose. But even if mandatory detention did work, it is absolute lunacy to sever the link between the crime and the punishment and to impose mandatory sentencing only if the accused happens to be a member of a declared association.

An effective law punishes an individual for the crime they commit, not for belonging to a group. We must all be treated equally in the eyes of the law, whether we happen to be a member of a motorcycle club, a union or any other group.

Even recently installed freedom commissioner Tim Wilson has issues with Newman's laws, saying they are:

… a demonstration of the worst consequences of what happens when people are treated as groups under the law, and not as individuals.

He elaborated, saying:

The imprisonment of people for free association that are not otherwise engaged in criminal activity is deeply, deeply disturbing. The fact that other states have and continue to look at replicating these laws is equally disturbing.

Wilson, once described as 'a veritable geyser of right-wing steam', seems like an unlikely civil rights campaigner, so you know that something very serious is going on if he feels the need to speak out.

We now hear that the Queensland government plans to revoke trade licences for members of declared organisations. Not only that, but tradesmen who lose their licences will not even be told of the information that stripped them of their livelihoods.

It has been pointed out that even terrorists get a right of appeal. However, we will soon have a situation where people who have not been charged with any crime could have their ability to earn a living cruelly ripped away. As Queensland Council for Civil Liberties vice-president Terry O'Gorman put it:

To deprive someone of their livelihood, thereby pushing a family into poverty on the basis of evidence that person can never see is an abomination.

The Attorney-General has said that motorcycle gangs are heavily involved in illicit drug markets, vehicle rebirthing, firearms trafficking, serious frauds, money laundering, extortion, prostitution, property crime, and bribery and corruption of officials. If this is so, then I fully support using the full force of the law to punish people for these crimes. But—and this is such an important 'but' that I cannot overstate it—a crime must be committed first. We already
have laws to define and respond to crime. If the government is unable or ill-equipped to capture these criminals and charge them, then perhaps it needs to have a closer look at police resourcing.

In this area, as in all areas of public policy, we need to look rationally at the nature of the problem and determine the best means of solving it. Knee-jerk dog-whistling will do nothing but make people fearful and set up dangerous divisions within our community. The reality is that, according to Queensland police data, bikies are responsible for less than one per cent of crime on the Gold Coast—and in surrounding areas—which the Premier is targeting as a key problem area. Similarly, criminology professor Arthur Veno from Monash University put the national figure at 0.6 per cent—which is hardly an epidemic.

But even if bikie crime was a serious problem, are these laws an effective way of dealing with it? Have they worked? A recent analysis of data from the Queensland police would suggest not. In fact, of 817 charges under this legislation, only 28 fell into the category of organised crime, such as drug trafficking and extortion. Despite the massive police resources dedicated to the operation, only one per cent of all offences in Queensland during the period of the report can be attributed to bikies, and charges against bikies accounted for just 0.8 per cent of total drug supply offences in the state.

In the hoopla of hysteria and spin over bikie crime, with government minds and police resources solely focused on addressing less than one per cent of crime, it is little wonder that the other 99 per cent of criminals are getting a free ride. In this context, it is not surprising that crime has actually increased by two per cent in the last year, according to the national Report on government services 2014 released at the end of January. It is also not surprising that Queenslanders are up in arms about the draconian new regime they find themselves lumbered with. It only adds insult to injury that the government will not listen. Not only will they not listen, but the Premier is spending in excess of half a billion dollars on a shiny advertising and PR campaign to convince Queenslanders that having their civil rights thrown away and due process trampled on are actually good things—and all the while bleating about a budget emergency used to justify harsh cuts to vital services.

Tony Fitzgerald put it perfectly when he warned that:

Arrogant, ill-informed politicians who cynically misuse the power of the state for personal or political benefit are a far greater threat to democracy than criminals, even organised gangs.

I speak today because I believe democracy is being ruthlessly trashed, but I also speak because I believe there are some compelling—and disturbing—parallels between the strategies of the Liberal government in Queensland and those of their counterparts in this place. Firstly, both governments trade heavily in the politics of fear and division and scapegoating, and use them to scare the electorate into accepting serious attacks on civil liberties. Secondly, we have seen a growing trend in both governments to act without consultation and to actively avoid expert opinion. Worryingly, a transcript on the Prime Minister's own website outlines his position with crystal clarity. When asked about the Newman government's abhorrent legislative regime, Mr Abbot's response was:

I fully support what Campbell Newman is doing. Minister Keenan has been here in Queensland to talk about how the Commonwealth can cooperate with the State Government here and potentially State Governments elsewhere on this kind of crackdown.
I was very pleased to hear today that my Labor colleagues in Queensland have taken a stand and are committed to repealing these laws in favour of an objective, evidence-based assessment of the situation. I also support the High Court challenge, and I hope that our highest court of appeal can restore democratic principles to Queensland's rapidly devolving law and order regime.

Rights

Senator WRIGHT (South Australia) (13:19): I rise to talk about rights in the 21st century: what do they look like, what are they, and what should they be? In 2014 in Australia the representation of Indigenous people in prisons is grossly out of proportion with their number. Indeed, they are some of the most imprisoned people in the world. Despite this, they are subject to increasing cuts to Aboriginal and Torres Strait Islander legal aid—the very legal services that will assist in reducing their incarceration. These cuts also extend to the general legal assistance sector, where community legal centres and legal aid commissions are increasingly unable to meet increasing need, with serious consequences for everyday Australians, including poor health and mental health, homelessness and lost productivity—which then of course flow on to the community.

I have worked actively on these issues about ensuring that Australians can have access to justice and access to the legal system that we all rely on to determine our rights, and the ability to influence and enforce those rights. But the concept of 21st century rights is much broader than these issues alone. We have a federal government that has appointed a freedom commissioner as the Australian Human Rights Commissioner, with a mission to advance traditional human rights—but this will be at the cost of the right not to experience discrimination, which is still such an important need for many Australians in 2014. We have state governments introducing laws to restrict traditional rights, like the right to freedom of association, in Queensland, and the right to peacefully protest, in Victoria. We have judges whose judgement and discretion are being increasingly constrained by mandatory sentencing, with no evidence at all that it actually does anything to reduce crime.

Governments must respect and acknowledge the judiciary as an essential and independent third limb of government and be willing to recognise and acknowledge the importance of having a separation of powers to avoid a dangerous concentration of power in any one of the three arms of government—the legislature, the executive and the judiciary.

We have courts in a quandary about how to balance the principle of open justice with the rise of social media, which means essentially that all citizens can now be journalists and all juries are subject and vulnerable to pre-trial publicity.

We have national security laws that have been found to be excessive by the government's own independent monitor and the Council of Australian Governments, but which no government so far has been willing to fix.

I want to turn to freedom and freedom from discrimination. The Attorney-General has appointed a Human Rights Commissioner who will be known as a 'Freedom Commissioner'. In making this appointment the Attorney-General has purported to 'restore balance' to the Australian Human Rights Commission. Tim Wilson, the appointee, made an immediate commitment to refocus the commission on defending free speech rather than focus on anti-
discrimination work. Are we now balancing freedom from discrimination with the freedom to discriminate?

Dr Tim Soutphommasane, Mr Wilson's colleague and the Race Discrimination Commissioner, gave a speech on Monday at the Australian National University. He raised the crucial question of what freedom must mean in a multicultural society such as ours. He asked: what are the proper limits of free speech consistent with racial tolerance? In light of the profound harm that racial vilification causes to individuals and families, his view is that the Attorney-General's proposed changes to section 18C of the Racial Discrimination Act are not warranted.

The Greens will oppose any such changes. We do not agree that the balance has tipped too far in favour of those who experience discrimination. Indeed, although the previous government dropped the draft consolidated Human Rights and Anti-Discrimination Bill in 2013, we want it kept on the agenda—and, in fact, broadened. The fact that we still have religious organisations in Australia, particularly schools, that enjoy a major exemption from anti-discrimination law, is not good enough. The fact that students and staff enjoy protections in the community that they do not and cannot enjoy at school or in the workplace is not good enough.

The Greens absolutely agree that freedom of speech must be balanced carefully with people's freedom from vilification and discrimination, and the resulting humiliation, indignity, health impacts and diminution in civic participation. Our international obligations alone demand this.

I also wonder about the implications of the increasing crackdown by states on civil liberties that we are seeing in Australia in 2014. Queensland has thrown freedom of assembly out of the window with a raft of laws, ostensibly aimed at motorcycle gangs, that senior lawyers say breach human rights. The Vicious Lawless Association Disestablishment Act makes the gathering of three or more bikies or their associates unlawful. The laws impose mandatory minimum sentencing, in some cases of 15 to 25 years, and breach our international civil rights obligations.

There have been some recent egregious examples of the application of these Queensland laws. We saw five Victorians who were holidaying on the Gold Coast—ostensibly so-called 'bikies'—who were arrested after dinner one evening because of their association with each other and, on remand, they were required to be in solitary confinement, without natural sunlight, for periods of up to 23 hours per day. These people were on remand. They had not been convicted or found guilty of any offence—indeed, they were not charged with an offence that suggested they would be a risk of harm to others; it was the association offence with which they were charged. So these people, presumed to be innocent because they had not been found guilty under our system of law, were essentially forced to be in solitary confinement for a period of time. This is a very, very disturbing development in the way that laws are being generated in Australia. Although I am certainly no friend of criminals, and no friend of those who would seek to harm others with their criminal behaviour, I am also no friend to laws that have the potential to affect any members of our community who fall into disrepute or those who are impugned by their association with others, in this century, at the behest of state governments.
Another example of the application of these laws, and the great disquiet and concern that they have generated, involves the three cases in Queensland where Supreme Court Justice Peter Applegarth actually refused to impose the maximum penalty on the three defendants involved. These so-called bikies would have been sentenced—as in the previous case—to face solitary confinement without natural sunlight for periods between 22 and 23 hours a day. Rather than the maximum penalty of six months, Justice Applegarth actually commented on and described these conditions as being extremely harsh, cruel and unusual and, as a result, in response to his view about the inappropriateness of these penalties, he reduced the sentences in each of the three different cases to a period of four to six weeks.

These are examples of the way in which there is a risk that governments are seeking to use laws to prosecute their political agendas as much as their professed aim to make society safer—particularly when there is no evidence that these kinds of conditions or mandatory sentencing regimes will actually have the effect of reducing crime. The question we all have to be asking in relation to these anti-association laws is: if they are coming for these people today; who might they come for tomorrow?

In New South Wales we have the government introducing mandatory sentences for one-punch assaults and flagging that it would consider extending mandatory sentencing to other sentences. Again, this takes away the ability of a judicial officer, who is the one person who has the capacity to know all the circumstances of an offence, to weigh those up and to use discretion to come up with what is considered, in the view of that person who has those facts available to them, the best and the most appropriate penalty. Like Queensland lawyers who have opposed Queensland's new laws, the New South Wales Bar Association maintains there will be injustice wherever mandatory sentencing applies, because it is a solution to crime in appearance only.

Victoria has passed laws described as deeply antidemocratic, with massive increases to police powers to move on workers and activists engaged in peaceful protests, pickets and demonstrations. With these 'move on' laws, they have provided a broad range of discretionary powers to the police which give them the ability to move on workers, activists and others engaged in peaceful protests, pickets and demonstrations. Again, this attacks fundamental rights in Australia to freedom of assembly and freedom of association. Again, these laws have attracted criticism from lawyers, community legal centres, the independent media and many, many concerned citizens.

I ask: what has our newly appointed Freedom Commissioner to say, in particular to these 'move on' laws that have been introduced in Victoria? I understand that he has been silent on this specific issue. However, a tweet that he made at the time of the Occupy Melbourne protest is perhaps the closest hint as to what he might think about them. He said that freedom of speech is different from the freedom to be heard. He described the Occupy Melbourne protesters as time wasters and he suggested that the water cannons be sent in.

Legal experts who have the temerity to speak out on these sorts of backward state laws have come under fire themselves. The Queensland Premier, facing criticism of his proposed anti-bikie laws at the time, said that lawyers and the judiciary were living out of touch with society and do not understand what the community wants from the law. I was very interested to meet and have dinner with some concerned people recently. They are friends from Melbourne who are not particularly political. They are probably quite conservative in their
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thinking. They raised the issue of the five Victorians on holidays on the Gold Coast who were remanded in solitary confinement for associating with each other. My friends expressed their extreme dismay at the way those laws were going. I was interested to think that in fact there is a great deal of disquiet in the Australian community generally about the trend with which these laws are being taken up.

Will the federal government affirm the integrity of the judiciary and its essential role as a third limb of government? Will it acknowledge lawyers' professional obligations to represent people in our system of law—which is an adversarial system and relies on not only a prosecution but a defence so that we can actually have some faith that the end result of the process may be a fair one—and also acknowledge that, in any event, lawyers have an overriding duty to the court not to mislead the court? And will the federal government distance itself from the retrograde legislation that we are seeing around the states that dispenses with some of these long-held legal principles?

Another issue that poses the question 'What are our rights in the 21st century?' is that raised by the Chief Justice of Victoria, Marilyn Warren, in her annual Redmond Barry Lecture last year, when she summarised the dilemmas that all courts are now facing as open justice faces the technological age and the changes that have been made and the ability of people to inform themselves about what has occurred before they are involved in jury trials, for instance.

There are also increasingly important questions about how national security is to be balanced with people's rights, and so we have recommendations from both the government's own Independent National Security Legislation Monitor, Senior Counsel Bret Walker, and the COAG, the Council of Australian Governments, which have serious concerns about preventative detention orders and control orders. These are generally considered to be excessive, but no government has been willing to fix these regimes at this point.

So it is time to refine our thinking about these 21st-century rights: access to justice, freedom from discrimination, nationally consistent civil liberties, how we deal with open justice in the age of technology, and appropriate national security laws and the reforms that are generally agreed to be needed to those. These rights would seem to be a good place to start with for this century.

Tasmania: Economy

Senator COLBECK (Tasmania—Parliamentary Secretary to the Minister for Agriculture) (13:34): I rise today to make a contribution on a matter of public interest in respect of my home state of Tasmania and the dire economic situation that that state is in, principally because of the reckless economic management of the current Tasmanian government, dominated by the influence of Green policy and the devastating effect that that is having on the economy of my home state. We have seen very recently the statistics around the economy of Tasmania, which effectively ranks at the bottom of almost every economic indicator. Earlier in the day, Senator Birmingham painted a very graphic picture of the situation of the state of South Australia, which again unfortunately is under the poor economic management of a Labor government at the moment, but Tasmania, under the combined influence of Labor and the Greens, unfortunately is at the bottom of the pile. That situation needs to be rectified and it needs to be changed.
Just in the last week or so, we have seen, as is often the case with Labor governments, the poor management of the economy and the state budget impacting on Tasmania. When the budget was released last year, there was a projected deficit of $267 million, which is a significant budget deficit in the Tasmanian context. When the economic forecast was updated last week or the week before, for the election which is to be held in 10 days time, that budget deficit had grown by more than $100 million. It sounds a bit familiar. It sounds like what happened here in Canberra over recent years, where a budget surplus was promised and a budget deficit was delivered, or a budget deficit was promised but a bigger budget deficit was actually delivered. In fact, in six years there was not a budget surplus delivered, as many of us predicted during our contributions in this place. The economy actually declined in Tasmania by 0.75 per cent in the last year 2012-13. The Labor Premier, quite heroically, is now predicting two per cent growth in the next financial year. That might occur, but it could be predicated on only one thing—that is, a change of government with the removal of the combined influence of the Labor Party and the Greens from the Tasmanian economy. It is well established that Labor are not good economic managers, and the statistics continue to demonstrate that.

We see that Tasmania has got the lowest GDP per head in our country. It declined by 0.75 per cent in 2012-13, coming off meagre growth of 1.6 per cent in 2011-12. Tasmania has the lowest life expectancy in the country, except for the Northern Territory. It has the lowest educational attainments in the country and it has the highest unemployment. The new government has an aspiration to bring Tasmania's unemployment rate down to the national average. At least a new Liberal government under the leadership of Will Hodgman may have a chance of doing that.

In Tasmania we have seen over recent years Labor and the Greens combining to pay businesses to close down. How on earth are you going to get economic growth in a circumstance where you are actually paying businesses to shut up shop, where you are winding back on industries and businesses in the state? How is that going to promote economic growth? It will not. It cannot.

Senator Bilyk: Will economic growth support the NBN?

Senator COLBECK: Senator, if you think the NBN is the one thing that is going to turn the economy around, you are in a dreamland. I know that is where you spend a lot of time.

The ACTING DEPUTY PRESIDENT (Senator Fawcett): Senator Colbeck, resume your seat. I remind senators on my left and on my right that interjections are disorderly under standing order 197.

Senator COLBECK: Thank you, Mr Acting Deputy President, but I am at liberty to acknowledge an interjection and I am more than happy to do so because the good senator on the other side, through you, shows her ignorance of the Tasmanian economy. Her defence of the hopeless government in Tasmania at this point in time is indefensible, as is her defence of some of the economic policies that have been put in place. The completely and utterly destructive forest deal that exists in Tasmania was voted on quite comprehensively by the people at the Tasmanian election last September. To the detriment of the Labor Party and some longstanding members of parliament, who had been considered strong supporters of the forest industry, seats were lost because of the devastating deal that was promoted by the Greens and Labor in Tasmania and the Greens and Labor in Canberra. If that deal is allowed...
to continue, by 2030 it will see the death of the forest industry. How do we know that? We need to look only at the forest wood supply projections produced by that process, published by Labor and the Greens in Tasmania, that show that the native wood supply in Tasmania will decline from about 137,000-150,000 cubic metres per annum now to less than 40,000 cubic metres by 2030. That is not enough to sustain the existing small sawmilling industry in Tasmania.

That is the fundamental reason the coalition opposes the Tasmanian forest agreement. It does not, as members on the other side like to tell us, provide for a sustainable forest industry in the future. It actually signs the death warrant of the forest industry in Tasmania by 2030. It just takes a while to take effect. It puts a future government in another 10 or so years in the position of having to bail out or compensate the rest of the industry for the fact that they have no resource. That is an absurd proposition.

We have magnificent resources in Tasmania. We have magnificent forests. We have 44 per cent of the state protected in reserves. We have a magnificent, outstanding wilderness World Heritage area that has been added to by this fraudulent process. Those areas should never have been added. It is all down to Labor and Green ideology. We know that the Greens want to destroy the native forest industry in Australia, let alone in Tasmania. Senator Milne said this morning on the ABC that there is no future for the native forest industry. She is wrong.

In the Great Hall of this place last night 600 people mobbed the Prime Minister after his demonstration of support for the forest industry because at last they have a Prime Minister who is standing up for them and putting forward policies that will provide the industry here in Australia with a long-term future. Plenty of those people are using native forest timbers, as they should. It is a valuable resource and it provides magnificent products. Look around this building at the magnificent Australian timbers that adorn this place. If Senator Milne had her way, none of this would exist. Yet every piece of timber in this place is a carbon store. Forty per cent of each piece of timber is a carbon store. As we use these timbers in our homes, buildings and structures around the country we are adding to the carbon store.

We also know that a forest that is managed sustainably with appropriate rotation will actually store more carbon than one that is left static. A static forest creates a carbon store but a mature static forest is actually a net carbon emitter. It is a growing forest that actively takes up carbon. Work by the CSIRO, by some of Australia's best forest scientists, has shown quite clearly that if you manage a forest over time, if you take into account the carbon stored in timber products such as we have been talking about—particularly when you take into account substitution from petrochemical derived products—you can increase your carbon storage by up to double what you can achieve by leaving the forest static. It really surprises me that those on the other side do not get this. It is as though they are joining the forest science deniers in the Greens who do not want to understand this, who purposely put inhibitors into the policies that have been implemented over the last three or four years in order to stop us storing carbon in our natural landscapes through trees and forest processes. It really just does not make sense.

It is about time some common sense was put back into the forest debate in Australia. That is what the Prime Minister did last night and that is what people in Tasmania are looking for. They do not want to see tens of millions of dollars—hundreds of millions of dollars—spent in the Tasmanian economy to close down good, viable, environmentally sustainable businesses.
That is Greens and Labor ideology. They do not want to see that. They said that to us at the last federal election. That is why Eric Hutchinson got a 13.7 per cent swing to defeat Dick Adams. That is why Brett Whiteley got a 10-plus per cent swing to defeat Sid Sidebottom.

Senator COLBECK: Thank you, Mr Acting Deputy President. That is why Mr Andrew Nikolic also got a 10-plus per cent swing to defeat the previous member in Bass, Geoff Lyons. The Tasmanian people spoke very loudly. Mr Hutchinson got a 27 per cent swing in Triabunna. Triabunna is a very strong timber community that has been devastated by the Tasmanian forests agreement, an agreement that the coalition did not support from day 1 and one that the Tasmanian Liberals do not support. There is an opportunity to have an industry based on a sustainable resource that can go for 100 years and beyond. That is what I call a sustainable industry, not one that will fail and die by 2030 because of the lack of resource, which is what the Labor Party and the Greens are proposing for Tasmania.

Tasmanian people have an opportunity to send a very clear message. The job is only half done. We need to turn around these terrible statistics. We need to turn around the lowest wages in the country, the highest unemployment in the country. We need to have an economy that is growing, rather than having a 0.7 per cent reduction, as it did in 2012-13, so that it can create revenue and so that we do not end up with a $376 million deficit that blows out by $100 million in a little over six months. We need to turn around the Tasmanian economy. The Labor Party in conjunction with the Greens have proven that they cannot do that. They are prepared to spend taxpayers’ money to close business and industry down. They are turning what is a natural asset, not only for Tasmania but for the community and for industry, into a liability. I saw an example of that yesterday. In New South Wales a Labor government locked up some forest and then spent $3,750 for environmental thinning—effectively the same practices that were occurring before. Had they allowed the similar management process to exist, that forest, with exactly the same impact and effect, could have provided $5,000 per hectare, a dividend of $1,250 to the community that could have been used, perhaps, to look after other areas that need it. This is the way that the Labor Party work. They turn an asset into a liability. Of course, having to spend money to look after that particular piece of forest means that other services are not provided. That is the sort of thing that is going on in Tasmania, where communities have been devastated by Tasmanian forests agreement and by the general management of the Labor Party and the Greens.

I look forward to Saturday week, when the Tasmanian people will have the opportunity to have their say and to turf the Labor Party and the Greens out and put Will Hodgman and his team in. We know that the coalition, the Liberals, are strong economic managers and we will not have a situation where the Tasmanian economy will go backwards as it is now under Labor-Greens stewardship.

Western Australia: Senate Election

Senator PRATT (Western Australia) (13:49): As the nation knows, Western Australia has a historic Senate election underway. It is an unprecedented event in our nation’s political history. I am very pleased to be a candidate, proud to be a Western Australian Labor senator here to stand up for my home state, a place I grew up in and have lived in all my life.
This election gives Western Australia a chance to send a strong message to Prime Minister Tony Abbott and Premier Colin Barnett that Western Australians will not stand for their broken promises. With the mining boom slowing, the Abbott and Barnett governments should be investing in Western Australia to build more rail, road and energy infrastructure, not cutting jobs and services as they are doing. Western Australia is already paying its fair share. The people of my great home state should not have to put up with two Liberal governments breaking their promises and commitments. This election cannot change the government, but it is a very real opportunity to vote for a Senate that can hold Prime Minister Tony Abbott and his government to account.

Prime Minister Tony Abbott told his supporters that he wanted to model his government on the Barnett government. He has been true to his word. Premier Colin Barnett and Prime Minister Tony Abbott have both proven that their governments cannot be trusted. Prime Minister Tony Abbott told the Australian people one thing before the election and has been doing the complete opposite in power. He has left a trail of broken promises that will hurt Western Australian families, and with the federal budget looming we know there will be more pain in store. Prime Minister Abbott promised no cuts to health and no cuts to education and that pensions would not change. Now, as we know, all areas of expenditure are under review. The Abbott government has shown no respect for the promises it made to Western Australians on schools, the NBN, debt, Medicare and maintaining Medicare Locals.

Let us look at the promises made to Western Australian schools and students. Labor stands for a fully funded education system. In the election campaign, Prime Minister Abbott and Christopher Pyne promised to support Labor’s education funding reform. Our Better Schools funding model would have guaranteed fair school funding into the future for WA schools. Our plan would have seen schools about $1 billion better off. Devastatingly for WA schools, we now know the coalition were not really committed. The Abbott government was not even two months old when they abandoned their commitment. Premier Colin Barnett has ripped $183 million out of our schools. Abbott has committed—

The ACTING DEPUTY PRESIDENT (Senator Fawcett): Order! I remind you to use the Prime Minister's correct title.

Senator PRATT: The Abbott government has committed a measly $120 million to Western Australian schools over four years—it is a massive broken promise. WA public schools will now receive $91 million less than they would have under federal Labor. Every school in Western Australia is now worse off. If Abbott—

The ACTING DEPUTY PRESIDENT: Order! I remind you to use members' correct titles.

Senator PRATT: If Prime Minister Abbott did not abandon the Gonski reforms, Premier Barnett would not have been able to make these cuts. The leverage the commonwealth had on Premier Colin Barnett to lift his game and do the right thing by WA students has been ripped away by Minister Pyne.

I turn to the broken promises made to the people of Western Australia on health. We know that Labor stands for a fair universal health care system where access to health services does not depend on the size of your wallet. This is not something Prime Minister Abbott believes in. Prime Minister Abbott has proposed a great big GP tax; it is a tax on families—on
people—every time they visit the doctor. It is a tax that families who access bulk billing will have to pay; a tax that families who are already struggling with Western Australia's high cost of living will also have to pay if they cannot get into a bulk-billing GP. I do not have time to outline them all today, but there are also massive cuts to health at a state level. We know the Abbott government's review of Medicare Locals could also lead to a massive loss of local services. It shows how little the coalition care about well-run, affordable, accountable and innovative health services.

It is not only health and education in Western Australia that the coalition have attacked. They have also attacked the environmental values that we hold dear. Labor stands for protecting our environment for future generations and for getting the balance right by recognising that there is no point in having a strong economy if we end up destroying all that makes life in Western Australia unique. Through changes to the EPBC Act, the government want to dismantle environment protections for our state. They have suspended the implementation of marine park reserves and are in lock step with Colin Barnett in support of a dreadful shark-culling program. I certainly do not trust Prime Minister Tony Abbott to weigh into the forestry debates in Western Australia—all hell would break loose. The Abbott government's ideological attack on Australia's renewable energy sector and carbon pricing mechanism put a priority on politics over the wellbeing of our environment, citizens and economy. Because of climate change, people in the south-west of the state will face decades of rising temperatures. We are committed to scrapping the carbon tax but at this point it would be immoral and irresponsible to dismantle the tools that we need to tackle climate change. Labor will not stand with this.

Speaking of broken promises and policy failure, under Premier Colin Barnett and Prime Minister Tony Abbott we are seeing major infrastructure projects right around WA delayed, cut and cancelled, creating economic problems and a big flood of broken promises. The state Liberals promised fully funded and fully costed projects such as MAX Light Rail, the Perth Airport rail link and the Perth to Darwin highway; those promises have all turned out to be hollow rhetoric. Indeed MAX Light Rail was a promise made using federal government money—money Prime Minister Abbott has refused to commit. What the Abbott government did was rip away $500 million already allocated by federal Labor to public transport infrastructure in WA. All the while, congestion in Western Australia continues to grow. Premier Barnett did not say a single thing about that money being ripped out of Western Australia. The truth is that public transport is just not in the Liberals' DNA.

We know the National Broadband Network has been cut down to a slower, second-rate service that will hold Western Australians back from the industries and jobs of the future. Homes right around the state will be without the NBN connection they otherwise would have had. It is an appalling state of affairs and I will be working to let Western Australians know that Labor stands for investment in public infrastructure, supporting productivity and growth in WA. Such infrastructure is vitally important to Western Australian jobs and I have got no doubt that jobs will be one of the most important issues at the upcoming Senate by-election. It was devastating that the government failed to stand up for Qantas this week as Qantas is vital to Western Australia's Asian and regional links. We are also concerned in WA about the blatant attacks by the government on the wages and conditions of workers and its refusal to stand up for Aussie jobs. Unlike the coalition, we know we need to prioritise local
employment over bringing in foreign workers. We must prioritise the training of young workers rather than the importation of foreign labour.

I would like to have more time today to talk to the Senate about the significant issues at this by-election. With the mining boom slowing, if there is anything the last few months of the Abbott government have taught Western Australians it is that only Labor will stand up for WA jobs and keep those jobs in our state rather than have them go offshore. As a proud Labor senator and part of the Labor team, I will be here to hold Prime Minister Tony Abbott to account by standing up for Western Australia at this by-election and over the next six years in the Senate.

QUESTIONS WITHOUT NOTICE

Qantas

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (14:00): My question is to Senator Johnston, the Minister representing the Minister for Infrastructure and Regional Development. Minister, did the government make an assessment about the impact of job losses and service cuts in regional Australia before rejecting Qantas's request for assistance; and, if not, why not?

Senator JOHNSTON (Western Australia—Minister for Defence) (14:00): I say to the senator: this government is at all times concerned about regional employment in everything we do. In everything we do, we worry about regional employment. We do not just go and terminate the livelihoods of cattle farmers across the northern part of Australia and leave them to rot, not giving a fig for their livelihoods. Of course we consider regional jobs. Regional jobs are one of the most important considerations that this government has actually put on the table. I find it quite laughable that the senator would get up and ask me a question like that. Everything we do considers regional jobs.

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (14:01): Less than a minute—wow! He defends Australian jobs for less than one minute. Mr President, I ask a supplementary question. I refer to the Deputy Prime Minister's concern in 2009 that changes to Qantas foreign ownership rules would 'potentially leave Australia without an airline committed to our interests'. Minister, what has changed?

Senator JOHNSTON (Western Australia—Minister for Defence) (14:02): Martin Ferguson, someone who most of us hold in high regard, has told you where you should be on this issue. You should produce a level playing field and welcome this government's attempt to do so in a highly competitive commercial market. What is your solution to the Qantas situation?

Opposition senators interjecting—

The PRESIDENT: Order!

Senator JOHNSTON: You have had six years to deal with this issue, and what have you done? Like all of the matters that we have found underneath the carpet when we took over, you have been sitting on your hands on these important decisions. What we are putting into this parliament—

Senator Conroy interjecting—

The PRESIDENT: Order! Senator Conroy.
Senator JOHNSTON: is a commercial solution that frees up Qantas's ability to compete on a level playing field. I know the senator—(Time expired)

Opposition senators interjecting—

The PRESIDENT: Order! On my left.

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (14:03): Mr President, I ask a further supplementary question. How will a wholly foreign owned Qantas domestic airline serve the interests of regional Australia?

Opposition senators interjecting—

Senator Conroy interjecting—

The PRESIDENT: Order! Senator Johnston, resume your seat. Senator Conroy, you have asked the question of Senator Johnston.

Senator JOHNSTON (Western Australia—Minister for Defence) (14:03): Thank you, Mr President. I remind the senator that David Epstein, who I am sure he knows, on 5 March said: The ALP should remember the prospective constraints the Act imposes on a company playing in an international services market. Remember is the operative word. The ALP had amendments to deal with this ready to legislate in 2009. It cannot claim consistency is on its side.

They have been caught out.

Opposition senators interjecting—

The PRESIDENT: Order!

Senator JOHNSTON: Again, I quote:

It's puzzling when a party claiming to be progressive wants to compound out-dated interventionism with a market distorting loan guarantee specific to Qantas. This is a step down the Argentine road.

Let me tell you: we are recovering from that. We deal with the Argentinian fiscal policy that you brought to bear every day in government.

Qantas

Senator EGGLESTON (Western Australia) (14:05): My question is to the Leader of the Government in the Senate and Minister for Employment, Senator Abetz. I refer to the government's economic reform agenda, including its commitment to unshackle Qantas from restrictive government regulation. Can the minister inform the Senate of any new support for the government's commitment to repeal the carbon tax, thereby allowing Qantas to operate more profitably and compete more effectively internationally?

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 Eggleston for the question. Today's statement by Qantas CEO Alan Joyce that the carbon tax is among the significant challenges faced by the airline reinforces why it is imperative that the Green-ALP opposition passes the carbon tax repeal legislation—

Opposition senators interjecting—

The PRESIDENT: Order! Senator Abetz, I know you wish to continue, but resume your seat because you are entitled to be heard in silence. Those on my left, if you wish to debate the answer that is being given, the time to debate answers is after three o'clock. The minister is entitled to be heard in silence.
Senator ABETZ: Let me repeat: Qantas has said that the carbon tax is among the significant challenges being faced by Qantas as we speak. The carbon tax could be removed this afternoon if the Greens and ALP senators got over their resentment of the Australia people in their decision of 7 September and actually voted for what the Australian people want—namely, a repeal of the carbon tax.

According to Mr Joyce, Qantas is simply unable to recover the costs of the carbon tax through fare increases. So far this financial half year the carbon tax has cost $59 million—

Opposition senators interjecting—

The PRESIDENT: Order! Senator Abetz, you should resume your seat so that you can be heard in silence. You are entitled to be heard in silence. Those on my left will stop interjecting during this answer.

Senator ABETZ: The ALP in particular simply do not want to hear the truth: the carbon tax is hurting the airline industry to the tune of hundreds of millions of dollars each year. And Mr Joyce's comments, of course, come on the back of the comments of the CEO of Virgin saying exactly the same thing. And yet the ALP-Green opposition in this place are still in denial.

Virgin Australia wants to axe the carbon tax, Qantas wants to axe the carbon tax and Australians want to axe the carbon tax. The only people that refuse to do that which is necessary are the Labor-Green opposition in this place, and they are the ones that are destroying the job opportunities of our fellow Australians.

Senator EGGLESTON (Western Australia) (14:08): Mr President, I ask a supplementary question. Will the minister explain to the Senate why unshackling Qantas from the restrictions of the Qantas Sale Act is more economically responsible than providing a debt guarantee?

Senator Cameron: Unshackle workers from their jobs!

Senator EGGLESTON: Jobs will be preserved, Douggie!

Honourable senators interjecting—

The PRESIDENT: Order! When there is silence on both sides I will give the minister the call. The minister is entitled to be heard in silence. On both sides!

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): Thank you, Mr President. The government is determined to give Qantas its freedom because that is the only economically responsible course of action—recommended, in fact, by none other than David Epstein, a former Qantas executive and senior Labor adviser. Remember? A former chief of staff to Mr Rudd, a person who you might still recall. As Mr Epstein said today:

A loan guarantee is not an assured risk; taxpayers would face a real prospect of being on the hook for billions if Qantas were as vulnerable as some have us believe. That is not in the national interest.

Not in the national interest! What is it about that statement that the Labor-Green opposition in this place do not understand? Mr Epstein's advice is that the Qantas Sale Act should go and that the ALP should not stand in the way. We say 'amen' to that.

Senator EGGLESTON (Western Australia) (14:10): Mr President, I ask a further supplementary question. Will the minister explain to the Senate why it is important for all
parties, including Qantas, workers and unions, to work cooperatively and constructively in the interests of securing Qantas's future growth and creating more jobs?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:10): All parties should recognise the difficult situation in which Qantas and its workers find themselves and the tough decisions that lie ahead. All parties bear the responsibility to work constructively to secure Qantas's future and the thousands of jobs which it provides here in Australia. Let me be very clear: industrial action in these circumstances is in nobody's interest. Indeed, the Qantas situation reminds me of the Tasmanian paper mill situation of two decades ago in Tasmania, where fundamental changes needed to be made. And what did the union movement do? They held a strike; they held a picket. Do you know what happened, Mr President? All the union leaders ended up in parliament and all the workers on the scrap heap of unemployment! The mill is no longer in existence; no more jobs. But do you know what, Mr President? The union leaders are in the parliament or getting parliamentary pensions as we—

(Time expired)

Qantas

Senator PRATT (Western Australia) (14:11): My question this afternoon is to Senator Johnston, the Minister representing the Minister for Infrastructure and Regional Development. I refer to comments by the Deputy Prime Minister, who said in December last year that in amending the Qantas Sale Act the majority of Australian people and certainly the majority of people elected to the parliament at the present time—especially in the Senate—do not favour that course of action. Given that only three months have passed, what has changed?

Senator JOHNSTON (Western Australia—Minister for Defence) (14:12): It might come as a surprise to the senator, but the government has changed. We believe in a hand-up and a level playing field, and not a blank cheque of a handout.

Senator Kroger: They don't believe it!
Senator Pratt: It was in December!
Senator Wong: He said it was when you were in government!
Senator JOHNSTON: On one—
The PRESIDENT: Order! Senator Johnston, resume your seat! On my left!
Senator Mason interjecting—
Senator Cormann interjecting—
The PRESIDENT: I need silence on my right as well. On both sides!
Senator JOHNSTON: What we are not going to do to a listed commercial entity is give them a bank cheque. We are going to give them a framework which is fair and equitable for them to work with. That is what they want.

We have observed what the previous government did with its drunken sailor mentality, writing cheques to just about everybody who put their hand up. Indeed, that is why SPC Ardmona had their application with the previous government for about eight months and nothing was done. They thought they could get a free ride! What Qantas needs is a level playing field, and you guys over there, through you Mr President, need to understand that that is what we are going to give them: nothing more, nothing less.
Senator PRATT (Western Australia) (14:14): Mr President, I ask a supplementary question. I refer to media reports that in a coalition party room briefing yesterday the Deputy Prime Minister told Senator Boswell that there is no plan B. I ask the minister: if these changes do not pass the Senate, what is your plan B?

Honourable senators interjecting—

The PRESIDENT: Order! When there is silence on both sides we will proceed.

Senator JOHNSTON (Western Australia—Minister for Defence) (14:15): It might come as a surprise to the senator—I do not expect her to understand, but this is a corporate entity that has a board of directors, a chairman and a managing director. This is a commercial entity that must comply with governance rules. The government is not going to hold their hand. The government's responsibility is to provide a legal and regulatory framework within which they can work properly in the commercial environment confronting them.

The Labor Party would have us go in, hold their hand, put our arm around them and carry them forward, at taxpayers' expense. We will not do that. The blank check of a guarantee is not on.

Honourable senators interjecting—

The PRESIDENT: Order! When there is silence on both sides. Senator Carr and Senator Cormann, if you wish to debate the issue you can leave the chamber or do it after three o'clock. Senator Pratt has the call.

Senator PRATT (Western Australia) (14:16): Given that the government refuses to outline alternative measures, as requested by the CEO of Qantas, will the government leave Qantas and its thousands of workers in limbo for the sake of a political stunt?

Senator JOHNSTON (Western Australia—Minister for Defence) (14:17): David Epstein is right: the party over there has lost its way. I quote him again. He said:

It’s puzzling when a party claiming to be progressive wants to compound out-dated interventionism with a market distorting loan guarantee specific to Qantas. This is a step down the Argentine road.

We all know Mr Epstein's history. How is it that he can see what this is about—a commercial entity in the marketplace—yet the opposition in this place wants to start doing what it has always done when confronting every policy, and that is to write cheques. We are not in that business, and the taxpayer at long last can see some semblance of responsibility on the government benches.

Environment

Senator MILNE (Tasmania—Leader of the Australian Greens) (14:18): My question is to the Minister representing the Prime Minister, Senator Abetz. Given that the Prime Minister said last night:

We have quite enough national parks. We have quite enough locked up forests already. In fact, in an important respect, we have too much locked up forest.

Can the minister indicate which of Australia's national parks and forest reserves the Prime Minister wants opened up for native forest logging, mining and grazing, in addition to the 74,000 hectares from the Tasmanian Wilderness World Heritage Area?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:19): I am
absolutely delighted to take the question from the Leader of the Australian Greens, because what the position of the Leader of the Australian Greens is putting is exactly the issue that the people of Tasmania will be deciding on 15 March: whether or not the Australian people get the opportunity for jobs with a renewable resource that is recyclable, reusable and at the end of the day genuinely renewable and, what is more, takes more carbon out of the atmosphere than it puts in. In other words, it is the only carbon-positive industry that Australia has. So we unashamedly indicate our support for the forestry sector.

In relation to national parks, I just remind those opposite—and in this regard I am speaking to both the Greens and the ALP—that, in cahoots with the state Labor/Greens government in Hobart, they made a submission to the World Heritage Committee to lock up pine forests as though they were pristine world heritage areas. They also argued for eucalypt plantations to be so locked up. They also argued that native forests on their third rotation of harvesting should be locked up because they were pristine forests. If that were to be the case, isn't it the biggest tick the forestry industry could ever get that on the third cycle of harvesting it is still seen as pristine world heritage forest? That is how well Tasmania does forestry and that is why it is right for Tasmania to fully harness the potential of the forestry industry in Tasmania and the jobs that it will provide right around the state of Tasmania, and especially in the electorate of Lyons. (Time expired)

Senator MILNE (Tasmania—Leader of the Australian Greens) (14:21): Mr President, I ask a supplementary question. I did ask: which national parks and forest reserves do you want trees taken out of for logging—and I note you deliberately ignored the question. So I ask now: does the Prime Minister support the ongoing logging of the mountain ash forests in Victoria, the last habitat of the Leadbeater’s possum and does the Prime Minister support the deforestation of the Bimblebox Nature Refuge, the Leard Forest and the Tarkine, all as part of his ‘the environment is meant for man’ comment? (Time expired)

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:21): As I have indicated, the coalition unashamedly supports forestry. What is more, with the forest practices that occur in this country, and especially in my home state of Tasmania, you can have harvested an area not once, not twice, but on the third rotation of harvesting and still have the Greens claim that it is pristine forest worthy of world heritage protection. In those circumstances, it is appropriate to allow the forest industry to continue to be engaged in a genuine renewable resource, gaining a resource, gaining jobs, gaining wealth, because we know that if you do not use wood products you use concrete, you use aluminium, you use glass, you use plastic—all non-renewable resources. That is why, if you are a genuine— (Time expired)

Senator MILNE (Tasmania—Leader of the Australian Greens) (14:22): Mr President, I ask a further supplementary question. I thank the minister for confirming the Prime Minister does support the logging of the Mountain Ash forest, so I ask now: why is the native forest logging industry exempted from the end of the age of entitlement and set to have two forest industry advisory councils, and at what cost to the taxpayer?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:23): Talk about pots calling kettles black. The green industry in this country has tax deductibility like no other.
sector that uses its money on ill-informed, ignorant, untruthful campaigns to destroy the jobs of honest workers, especially in my home state of Tasmania. That is why the people of Tasmania on 15 March have a very stark choice: they can either vote to keep locking up Tasmania and ensuring the jobs go, that the population decreases and that the wealth base diminishes, or they can vote for a majority Hodgman Liberal government—

Senator Whish-Wilson: Mr President, I rise on a point of order going to relevance. Senator Abetz has clearly been asked why he has always propped up and subsidised the failing forest industry. He has not answered the question.

The President: There is no point of order. Senator Abetz still has 15 seconds remaining to address the question.

Senator ABETZ: Typical of the Australian Greens: when they know they are down, they will raise a spurious point of order to try to break my train of thought. Be assured, my train of thought is going in a direct line and that is to ensure that the Labor-Greens government in Tasmania— (Time expired)

Carbon Pricing

Senator BOSWELL (Queensland) (14:25): My question is to the Minister for Finance and Minister representing the Minister for the Environment, Senator Cormann. I refer the minister to an article by Paul Howes in yesterday's Australian Financial Review in which Mr Howes warns of the escalating cost of energy in Australia and states:

... cheap energy has traditionally been a core national economic advantage. But it is an advantage we are throwing away. Can the minister advise how delaying the repeal of the carbon tax is further pushing up power prices and hurting our economy?

Senator CORMANN (Western Australia—Minister for Finance) (14:25): I thank Senator Boswell for that question. Let me just say right at the outset: Paul Howes is right. We agree with him on this. If only Paul Howes was the leader of the Labor Party, perhaps we might get some sensible economic policy from the opposition, because now of course we have an opposition that is back to the worst protectionist, interventionist days of past eras.

Cheap energy has traditionally been a core economic advantage for Australia. It is an advantage that, egged on by the Greens, the Labor Party recklessly and irresponsibly threw away. Labor's carbon tax is pushing up the cost of electricity, it is pushing up the cost of gas, it is pushing up the cost of doing business in Australia, it is making us less competitive internationally, it is hurting the economy, it is making it harder for businesses to compete and, of course, it is putting jobs at risk—it is costing jobs. All of this without doing anything to help reduce global greenhouse gas emissions. Of course, what is happening is that Labor's carbon tax is making it harder for Australian businesses to compete with businesses overseas who are taking market share away from us as a result of Labor's carbon tax and are, arguably, shifting emissions, economic activity and jobs overseas. Emissions in those jurisdictions overseas will arguably be higher than they would have been if that activity had happened in Australia. In an absolutely reckless way, Labor imposed an additional burden on our economy at the worst possible time. At a time when we were already facing challenges in a difficult global economic environment, Labor continued to impose more burdens on our economy, putting jobs at risk.
Senator BOSWELL (Queensland) (14:27): Mr President, I ask a supplementary question. I thank the minister for that. I refer the minister to Paul Howes' comments in 2011 that the Australian Workers Union's support of a carbon tax would go if it cost a single Australian job. That is his quote. Should unions not support the repeal of the carbon tax? What impact will a delay in the repeal of the carbon tax have on the blue-collar workers that Mr Howes represents?

Senator CORMANN (Western Australia—Minister for Finance) (14:28): Senator Boswell, through the President, it is putting jobs at risk; it is putting manufacturing jobs at risk. I remember well the comments that Mr Howes made. I took a bit of interest at the time, through a Senate inquiry into Labor's carbon tax, about the impact of Labor's carbon tax on the economy and jobs. I remember when Paul Howes said that if one job was lost as a result of the carbon tax he would oppose it. If Paul Howes was fair dinkum then, if he was genuinely interested in the best interests of his members, he would have come out by now and he would have called on Labor to get out of the way and support our legislation to scrap this job-destroying carbon tax. It is not too late. We still have a day and a half to go. This filibuster here in the Senate, this disgraceful Labor Party filibuster on the carbon tax, has gone on for long enough. Bill Shorten clearly has not got what it takes to make judgements in the national interest. It is time that Paul Howes stood up for his members. (Time expired)

Senator BOSWELL (Queensland) (14:29): Mr President, I have a further supplementary question. I refer the minister to the thousands of manufacturing jobs lost lately as a consequence of Labor's six years of economic mismanagement—most recently from McCain, Simplot, Golden Circle, Downer EDI, Electrolux, Caterpillar, WesTrack, Kellogg's, SPC Ardmona and Ford. How will removing the carbon tax help prevent further job losses—

Senator Cameron: What about SPC?

Opposition senators interjecting—

The PRESIDENT: Order! Senator Boswell, halt there. Senator Cameron, I need to hear the question. Order! Repeat the last part for us, Senator Boswell.

Senator BOSWELL: I did mention SPC Ardmona. Minister, how will removing the carbon tax help to prevent further job losses and aid our struggling food-processing manufacturing sectors that Senator Cameron is supposed to represent?

Senator CORMANN (Western Australia—Minister for Finance) (14:30): According to Australian Treasury modelling there are right now 75,000 business which are directly paying the carbon tax. These are 75,000 businesses who will find it harder to compete, as a direct result of the reckless decisions made by the previous government. Every single household, every single small business, every single farm, every hospital and every manufacturing enterprise pays higher electricity prices and higher gas prices as a result of Labor's carbon tax. Treasury modelling shows that if we scrap the carbon tax electricity prices will be lower by nine per cent, retail gas prices by around seven per cent, at a time we have a $25.40 carbon tax. Labor went to the last election saying they had already removed the carbon tax, and now they are voting with the Greens to keep it. Labor is being reckless and irresponsible. Labor is putting Australian jobs at risk and it is time they got out of the way. (Time expired)
Ministerial Staff: Code of Conduct

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:31): My question is to the Assistant Minister for Health. I refer to the minister's answer to my question yesterday in which she claimed Mondelez, the parent company of Kraft and Cadbury, was not a client of her chief of staff's company, Australian Public Affairs, at any time since 19 September 2013. I note the minister's letter to me today tried to dismiss extracts from both the Commonwealth and state register of lobbyists which show the minister's answer was incorrect. Will the minister now do the right thing and correct the record?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:32): The answer I gave to the Senate yesterday was in my capacity as the Assistant Minister for Health, relating to the federal health portfolio. That is entirely consistent with relevant Senate practice. As APA had publicly stated, they were no longer representing Mondelez to myself, to Minister Dutton or indeed to my health department. If I could refer the Senate to the statement from Ms Tracey Cain—

Opposition senators interjecting—

The PRESIDENT: Order! I need to hear the minister's answer.

Senator NASH: I refer the Senate to this statement by Ms Tracey Cain, Managing Director of Australian Public Affairs, on 12 February 2014:

Since last September, Australian Public Affairs has not made representations to either Health Minister, their offices, or the Health Department; and has made no representations to any other Minister of the Commonwealth in relation to the Health portfolio.

Whilst this commitment applies to all clients, I particularly note that it has applied to Mondelez International, the Australian Beverages Council and Proctor & Gamble.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:34): I ask a supplementary question. Will the minister now comply with the order for the production of documents, which requires her to table the letter setting out her chief of staff's undertakings, which she relies on as evidence of compliance with her obligations under the statement of ministerial standards?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:34): As many senators would be well aware, I have informed the Senate and the Senate estimates committee on many occasions regarding the undertakings put in place to ensure there is no conflict of interest relating to my former chief of staff. The correspondence the senator refers to contains information relating to the personal affairs of an individual staff member. It was provided to me on a confidential basis and it is not practice of either past or present governments to divulge personal information about individual staff.

Honourable senators interjecting—

The PRESIDENT: Order! If you wish to debate it, it is after three o'clock.

Senator NASH: In response to the request, in accordance with Senate practice, I provided my letter of response to the President earlier today.
MOTIONS
Assistant Minister for Health
Censure

Senator Wong: Mr President, I seek leave to move a motion censuring the Assistant Minister for Health.

The PRESIDENT: Is leave granted? Leave is not granted.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:35): Pursuant to contingent notice of motion, I move:

That so much of the standing orders be suspended as would prevent her moving a motion to provide for the consideration of a matter, namely a motion to give precedence to a motion of censure of the Assistant Minister for Health (Senator Nash)

There is no more serious act—

Honourable senators interjecting—

The PRESIDENT: Senator Wong, resume your seat. Order! Senator Wong has moved a motion for the suspension of standing orders. Senator Wong, continue.

Senator WONG: There is no more substantive accusation in this chamber than that a minister has misled this chamber. There is no more important issue when you are a minister than accountability to this chamber. And what we are seeking to do is to ensure this chamber properly debates a censure motion on the Assistant Minister for Health, arising out of her misleading of this chamber—her persistent misleading of this chamber—and her failure to comply with an order for production of documents and failure to account for her actions to the Senate.

The fact that the government is not prepared to debate this censure really reflects on the standards that this government has when it comes to ministerial accountability and transparency. In the period of time since this matter first came to light we have been treated to this senator—this minister—coming in to this chamber and repeatedly and persistently misleading it, failing to provide answers to reasonable questions and, today, failing to provide a document which grounds what she says is her compliance with ministerial standards. That is what we are seeing from this minister. It is entirely reasonable for this chamber to debate this censure motion, and it does not reflect well on the Leader of the Government in this place that he did not take this censure motion. He has sought to take the chamber down the path requiring a suspension of standing orders in order to debate this censure motion. I would also say that there is no greater obligation on a minister in this place than to ensure that they do not mislead the chamber. We have given this minister many, many opportunities. I have invited her time and time again to come in here and correct the record.

Honourable senators interjecting—

The PRESIDENT: Order! I remind honourable senators that if you wish to participate in the debate you will get an opportunity. Senators on both sides are reminded that interjections are disorderly.

Senator WONG: We on this side have given this minister many, many opportunities to correct the record, far more than I anticipate those on that side would have given a minister in our government when we were on the benches opposite. For example, yesterday after
question time I wrote to the minister, attaching the extracts from the register of lobbyists which demonstrated that her answer was incorrect and inviting her to do what she should do as a minister of the Crown, what she should do according to the principles of ministerial accountability and what she should do under the ministerial standards, which is come into this place and correct the record. That was yesterday after question time—well, she did not do those things. That is simply indicative of this minister's behaviour and attitude towards this chamber. She has repeatedly indicated facts to this chamber which simply are not true.

This is not a question of whether or not Senator Nash is a decent person. This is a question of whether or not she is a decent minister. Over these last weeks, whether in Senate estimates or in question time here, the chamber has been presented with repeated examples of why this minister is not prepared to comply with basic principles of accountability. The Senate chamber has been presented over and over again with examples of this minister not complying with ministerial standards and the principle of accountability to the Senate chamber. It is entirely reasonable that this censure motion be moved, and it is entirely reasonable that it be debated. As I said, it really does reflect on Senator Abetz that he chooses not to take this censure motion for debate, given the enormity of the evidence confronting the government about the failure of this minister and the Prime Minister to uphold the standards that the Australian people expect of ministers in this place. It is entirely reasonable for standing orders to be suspended so that we can debate a censure motion. There have been repeated examples of misleading of the chamber, and the Senate ought to deal with them appropriately.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:42): I rise to take part in this debate and will acknowledge some of the comments that have been made by Senator Wong, particularly her comments relating to her having asked questions 'time and time again'. I would say to the Senate that the reason I have stood 'time and time again' was to ensure that the facts were placed on the table and to ensure that the facts surrounding this issue were brought forward.

A government senator: Come on girls, give her a crack.

The PRESIDENT: Order on my left! I asked for Senator Wong to be heard in silence, as I do for any speaker who stands on their feet. Senator Nash is entitled to be heard in silence as well, and that applies to all members of the Senate.

Senator NASH: The opposition has been inferring that there was a conflict of interest regarding my former chief of staff and his role in my office. As I have explained to the Senate and to the Senate estimates committee time and time again that there was no conflict of interest, perhaps it might assist senators if I again run through the processes that were put in place to ensure there was no conflict of interest. Every step of the way in this process, with every question that has been asked of me relating to this issue, I have acted in good faith and I have provided to the Senate and the Senate estimates committee the facts. I will again, to assist senators opposite, go through the steps I undertook to ensure there was no conflict of interest regarding the former chief of staff in my office.

I proposed Mr Furnival to my office in a temporary capacity to help with the transition arrangements of my staff. He was initially proposed by me for two months to help set up my
office. His role as a former government relations practitioner is on the public record and I was aware of this. I also say to the Senate that there is no rule against somebody who has previously worked in government relations becoming a member of staff. Under the code of conduct for staff, he advised me of his private interests. I put him forward to the government staff committee shortly following the swearing-in. The committee came back to me and indicated I needed to obtain a series of undertakings, which I did. I have outlined those for the Senate previously. I have outlined them for the Senate estimates committee previously.

I refer senators to the Hansard record. Those undertakings have been outlined on several occasions to senators. I say to senators opposite, to be very clear: at the outset of his time of employ with me, my former chief of staff’s wife undertook to maintain a series of undertakings in relation to the company. I have put this on the record time and time again, but I will do so again for senators.

Ms Cain undertook that APA would make no representations to me, no representations to Minister Dutton, and no representations to my health department nor indeed to any other minister of the Commonwealth in relation to the health portfolio. That was upheld. We have had several weeks now of questioning from the opposition relating to this matter—the matter being the conflict of interest perceived by them, in the role of my former chief of staff, which does not exist. At no time has any opposition senator provided any evidence to the Senate or to the Senate estimates committee about the existence of a conflict of interest. They have not because there is none. There was no conflict of interest. The appropriate undertakings were put in place. They were adhered to. I invite those opposite to consider the facts. There was no conflict of interest. (Time expired)

Senator MILNE (Tasmania—Leader of the Australian Greens) (14:48): I rise today to support the suspension of standing orders so that—

Honourable senators interjecting—

The PRESIDENT: Order! The same silence that Senator Nash was able to receive should be received by Senator Milne, as well.

Senator MILNE: I support the suspension of standing orders because a censure motion is a really serious motion. It is no support for, or defence of, Senator Nash for the government to refuse to take it on. It reinforces to the community that the government have plenty to hide—because they will not engage in the debate on the substantive issue of whether or not there is a case to be answered. Frankly, I find it extraordinary that in this debate it is Senator Nash who has been on her feet—rather than the Leader of the Government, to tell us why he has blocked a debate on such a substantive matter.

We will go to this debate on the substantive matter because the government is allowing the minister to dig a bigger and bigger hole for herself by allowing that to happen. I can tell you this: what we have now—

Government senators interjecting—

The PRESIDENT: We were going well. If senators wish to participate in the debate there will be an opportunity. Senator Milne is entitled to be heard in silence.

Senator MILNE: The point is this: there was originally a denial that there was any association between the chief of staff and the lobbying firm Australian Public Affairs. That was corrected. There clearly is a relationship. In fact, it is a part-ownership of that company.
That is the fact of the matter. Secondly, you simply cannot deny a conflict of interest—right up until the day that the chief of staff has resigned—and rely on what the chief of staff's wife has said. It is not the chief of staff's wife who is responsible here; it is the chief of staff and the minister who are responsible here. It is the chief of staff who had to divest under the ministerial staffers' code of conduct.

It is not about getting an undertaking from his wife or partner that they will do this or that. It is about a divestment requirement of the ministerial code of conduct, and that was not adhered to. It is no use trying to protect the minister by running around trying to block a motion to discuss this censure. There will be a debate on the censure. We need to go to this and we need to drop this defence of the minister's chief of staff on the basis of undertakings given by Ms Cain. That is not the point here. The point is that the minister has denied, right up until the end, the conflict of interest, and has given the Senate no explanation as to why the divestment was not required before the person concerned took on the chief-of-staff role.

I am supporting the motion to suspend standing orders because, ultimately, ministerial responsibility has to mean something. And it is clear from the way Prime Minister Tony Abbott's government is operating that they do not believe in ministerial responsibility—whether it is for Minister Morrison, who tries behind the military; or whether, now, it is for Senator Nash, who is trying to hide behind a refusal to debate this. We will debate this. But we will debate this because ministerial responsibility has to mean something in a Westminster system, and the Greens want to make sure that it does.

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:52): I am more than delighted to take on the challenge of Senator Milne to partake in this debate. The simple fact is: there is nothing of substance to the allegations that have been made, day after day, hour after hour, against Senator Nash. The Labor Party have spun their wheels on this issue in question time, day after day, without traction. They did so hour after hour in Senate estimates as well and got absolutely nowhere. The reason: there is nothing of substance to the allegations that have been made, day after day, hour after hour, against Senator Nash. The Labor Party have spun their wheels on this issue—

Honourable senators interjecting—

The PRESIDENT: Order! We have been going fairly well in that the people speaking in this debate have been shown reasonable respect in terms of having silence whilst they are speaking. I ask that that continues.

Senator ABETZ: The Labor Party have spun their wheels on this issue in question time, day after day, without traction. They did so hour after hour in Senate estimates as well and got absolutely nowhere. The reason: there is no substance to the case. Sure, they called in Senator Faulkner. Sure, they called in Senator Wong. But I know that when I used to be a counsel—and I am sure Senator Brandis would be able to recollect this as well: no matter how good a counsel you are, if you ain't got a case, you ain't going to win. That is the problem with the prosecution by Senators Wong and Faulkner of this case. There simply is no substance. All the rhetoric in the world simply will not build the case for you—and there is no substance whatsoever.

The Labor Party had a choice. They might have moved to suspend standing orders to fight for Qantas jobs. No. What about manufacturing jobs? No. What about the plight of the drought afflicted farmers in this country? No; they are into the smear as soon as they can get there. Considering the seriousness of this, you would nearly think that somebody had misused their credit card—which reminds me that the Labor Party are bringing this issue of integrity
before the Senate when their former national president is languishing in remand awaiting sentencing for gross dishonesty. Mr Thomson, their former member, has been found guilty by a court of law of ripping off low-paid workers. And what is the allegation against Senator Nash in all those circumstances?

*Honourable senators interjecting—*

**The PRESIDENT:** Order, on both sides! It is not helping the debate when people are interjecting, and interjections are disorderly.

*Straight Macdonald interjecting—*

**The PRESIDENT:** Senator Macdonald! Senator Abetz is entitled to be heard in silence from both sides.

**Senator ABETZ:** The rank transparency of the Leader of the Greens is shown by this. Even if we were to believe everything that Labor, with their exaggerated hyperbole, would have us believe—even if we were to believe all that, why was it that Senator Milne refused to utter a single word when the seat that Senator Johnston now occupies was occupied by one Senator Bob Carr, former Minister for Foreign Affairs, who, throughout the whole 18 months that he was Minister for Foreign Affairs, maintained his shareholding in a lobbying company, RJ Carr Pty Ltd? Where was the moral outrage from the Greens? They were in lock step with the Labor government. They did nothing about ministerial standards when there was a very clear breach. Might I add, the Standard of Ministerial Ethics requires:

... Ministers divest themselves of investments and other interests in any public or private company or business …

Throughout Senator Bob Carr's 18-month reign in this place as foreign minister, Senator Milne stood guiltily silent—a very guilty silence. Why? Because she was in cahoots, maintaining that dysfunctional and disgraceful government on life support. The Australian people have spoken—

**Senator Milne:** Mr President—

*Government senators interjecting—*

**The PRESIDENT:** Order! On my right!

**Senator Milne:** Thank you, Mr President. I do not want to disrupt Senator Abetz's train of thought, but I do want to put on the record that that statement about Senator Carr is the first I have heard of it.

**The PRESIDENT:** Order! That is not a point of order; that is a point of debate.

*Government senators interjecting—*

**The PRESIDENT:** Order! I remind those on my right, there needs to be silence. Senator Abetz is entitled to be heard in silence. When there is silence on my right, we will proceed. Senator Abetz has one minute and eight seconds remaining.

**Senator ABETZ:** Thank you, Mr President. Senator Milne has just now confirmed everything that I ever thought about the Greens: ignorance is bliss. That is why they are so happy in that corner. They do not bother reading the *Hansard*; they do not bother reading the newspapers; they do not bother informing themselves with that which is general knowledge. That way they do not have to make a moral judgement on their alliance partners in the Australian Labor Party. That is why the Australian Greens, of course, voted with Labor to
suppress the documents that Senator Fierravanti-Wells wanted to expose in relation to the Craig Thomson matter. I daresay Senator Milne has not heard of Craig Thomson either. You have not heard of Michael Williamson—

Honourable senators interjecting—

The PRESIDENT: Order! I remind those on my right—order! Senator Birmingham!

Senator ABETZ: We have just now been told everything we needed to know about the Greens. Ignorance is bliss. They wallow in ignorance day after day. One thing they will make sure of is that, no matter what, they will come to the protection of the Labor Party, as the Labor Party will always come to their protection. If the people of Tasmania need a reminder, why not—(Time expired)

Senator MOORE (Queensland) (15:00): The debate we are having now is to do with the suspension of standing orders, and we have gone nowhere near that issue, which is how this is normally played out in this place. The issue before the chair—

Honourable senators interjecting—

The PRESIDENT: Senator Moore, resume your seat. I remind those on both sides of the chamber that Senator Moore is entitled to be heard in silence.

Senator MOORE: The motion before the chair is for a suspension to debate a censure motion. You would not be able to pick that if you were listening to this debate, because that has not come up. We have proposed a censure motion because of a series of issues, one of which is a specific request today for a document relating to undertakings. That document was not brought forward, as is the usual process. We have been told consistently from those on the government side that, because a range of questions have been asked, that should be the end of the debate. We have been told that there is nothing to worry about, that there is no problem, and that we should end the debate. The last several minutes of this debate have not been about the substance of the issues. No, let us not go anywhere near the substance of the issues!

This debate is about whether or not there should be a suspension. We have not had that concluded. What we have had from those on the other side is a series of arguments about other cases. They say that we should not be asking for a suspension to debate this issue, because in other cases—which they have outlined in depth—nothing happened. I am completely confounded about why we go through this process. In trying to get information from the minister, we made a request, as a result of a series of actions by the opposition, for a censure motion to look at the substance of the issue. We have now heard comments from those on the other side about previous cases, along with dismissive comments from Senator Scullion about why people—‘girls’—on this side of the chamber should not be involved in the debate.

We are asking for a suspension to allow us to move a motion to debate a censure motion. That is the question before the chair. We seek to continue to ask for information concerning actions in the minister's office. That is the process that we have sought to follow through Senate estimates and through a series of questions in this place to those on the other side—which has often resulted in more information being provided by the minister in dribs and drabs. We put forward a request for documentation yesterday but we did not get the document about which we were concerned. We got an attached letter which I believe said that
information could not be shared because of privacy. We need to have those issues fully explained and debated.

As Senator Milne said in her contribution, it is all fine for us to have interchanges in this place, but people in the wider community need to know that issues of trust and ministerial responsibility are taken seriously in this chamber. What we are proposing is that there will be a debate—

Honourable senators interjecting—

The PRESIDENT: Senator Moore, resume your seat. Senators on my right, if you wish to participate in the debate, you may be given an opportunity at a later stage.

Senator MOORE: We are now having a discussion about whether we will be able to debate the substance of the issues. I do not understand why the government would not just allow the debate to happen so that we would not have to go through this process a number of times. Look at the core issue; look at what we are talking about in terms of ministerial responsibility and conflict of interest. The issue before the chamber today relates to statements and answers which Senator Nash gave in Senate estimates about the fact that there were undertakings provided. We seek to see the undertakings. Instead of debating that issue, we have to waste the time of everybody in this chamber, we have to waste the time of anyone who is interested in the debate and, most importantly, we have to waste the time of Senator Nash, who—instead of being able to present her arguments—has had to go through a process not on the original issue; rather, it is about whether or not the debate will continue.

We continue to put forward our request for a suspension. I think there is interest in this issue. Certainly, we have seen interest in this issue in the chamber. No-one could say that there is not some interest in getting this information. Let us proceed with the appropriate suspension so that we can have the core debate. (Time expired)

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (15:05): A censure motion against a minister is one of the most serious parliamentary procedures there is. Those who listen to this broadcast are entitled to make a judgement based on what Senator Wong had to say and, most particularly, based on the dignified and specific reply that Senator Fiona Nash was able to give. One of the most disgraceful things a member of parliament can do, indeed one of the most disgraceful things a human being can do, is to make allegations of dishonesty or a lack of integrity against another human being and not be able to specify the occasion that gives rise to that allegation. Those who heard Senator Wong's shrill, belligerent speech a few moments ago would have been left wondering what, specifically, is being alleged against Senator Fiona Nash. The answer is that the Labor Party, in their allegations, have been able to point to nothing—

Honourable senators interjecting—

The PRESIDENT: Order! Senators on my left!

Senator BRANDIS: The Labor Party have been able to point to nothing that Senator Nash has not answered comprehensively and in detail. This is about an allegation of conflict of interest and, more particularly, an allegation of conflict of interest affecting the former chief of staff of the minister. As Senator Wong should know, but obviously does not know, there are two ways in which a conflict of interest can be dealt with. The first of those is to remove
the occasion of the conflict of interest by divesting oneself of the commercial interest concerned—and that is what Senator Nash required of her former chief of staff, and that is what he did.

**Opposition senators interjecting—**

**Senator Wong:** You should show the letter that shows that. You do not know the facts!

**The PRESIDENT:** Order! No, we are not going to carry on this debate on across the chamber like that. We will have an orderly debate; we will not have people shouting at each other across the chamber. That is completely disorderly. If you disagree with the views that are being expressed, there are opportunities in the proper processes of this chamber to put your views. Comments should be addressed to the chair.

**Senator BRANDIS:** The allegation is of a conflict of interest. The two ways in which that conflict of interest could have been satisfactorily addressed are by divestment and by undertaking. Both of those courses of action were insisted upon by the minister and both of them were followed by Mr Alastair Furnival.

**Honourable senators interjecting—**

**The PRESIDENT:** Order! Senator Brandis is entitled to be heard in silence.

**Senator BRANDIS:** Through you, Mr President, Senator Wong: rest content to spray allegations around with no substance to back them up. And then she refuses to hear Senator Fiona Nash's detailed and specific response to her allegations. So the first course of action—divestment—was followed. The second course of action was to give undertakings that no situation would ever be allowed to arise in which there was a conflict of interest between APA and the role of the minister's chief of staff. Those detailed and specific undertakings were sought by the minister, and they were received from Mr Furnival, and from his wife and from the company; and those undertakings were honoured. The undertakings were honoured, and the divestment took place. Nothing more could have been done or could have been demanded of those concerned to avoid a conflict of interest. And yet Senator Wong chooses to disregard the fact that every one of her allegations has been answered. They were answered today by Senator Nash in her contribution and they have been answered in previous question times. They were answered with specificity in Senate estimates last week.

This chutzpah on stilts, from a person who was a minister in a government maintained in power for the last three years by a criminal, Mr Craig Thomson; and who has enjoyed most of her ministerial career as a member of the political party whose federal president was a criminal, Mr Michael Williamson. So please, Senator Wong, do not come into this chamber and smear an honest, decent, dignified and competent woman when the political party you represent is racked with criminality from the top to the very bottom.

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

The Senate divided. [15:16]

(The President—Senator Hogg)

Ayes ....................39

Noes ....................33

Majority ...............6

CHAMBER
AYES
Bilyk, CL
Brown, CL
Carr, KJ
Conroy, SM
Di Natale, R
Faulkner, J
Gallacher, AM
Hogg, JJ
Ludwig, JW
Madigan, JJ
McLucas, J
Moore, CM
Peris, N
Pratt, LC
Siewert, R
Stephens, U
Thorp, LE
Urquhart, AE
Whish-Wilson, PS
Wright, PL

Bishop, TM
Cameron, DN
Collins, JMA
Dastyari, s
Farrell, D
Furner, ML
Hanson-Young, SC
Lines, S
Lundy, KA
McEwen, A (teller)
Milne, C
O'Neil, DM
Polley, H
Rhiannon, L
Singh, LM
Sterle, G
Tillem, M
Waters, LJ
Wong, P

NOES
Abetz, E
Bernardi, C
Boswell, RLD
Brandis, GH
Cash, MC
Cormann, M
Eggleston, A
Fierravanti-Wells, C
Johnston, D
Macdonald, ID
McKenzie, B
O'Sullivan, B
Payne, MA
Ruston, A
Scullion, NG
Sinodinos, A
Williams, JR

Back, CJ
Birmingham, SJ
Boyce, SK
Bushby, DC
Colbeck, R
Edwards, S
Fawcett, DJ
Fifield, MP
Kroger, H (teller)
Mason, B
Nash, F
Parry, S
Ronaldson, M
Ryan, SM
Seselja, Z
Smith, D

PAIRS
Ludlam, S
Heffernan, W

Question agreed to.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (15:18): I move:

That a motion to censure the Assistant Minister for Health (Senator Nash) may be moved immediately and have precedence over all other business this day till determined.
Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (15:19): The government recognises the state of the numbers on this issue, so we will not be opposing it.

Question agreed to.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (15:19): I move:

That the Senate censures the Assistant Minister for Health (Senator Nash) for misleading the Senate, failing to comply with an order for the production of documents, and failing to account for her actions to the Senate.

Today we saw the Assistant Minister for Health fail to comply with an order to produce a document that would support her claim to this chamber that her decision-making has not been corrupted by a conflict of interest. Her defiance of the chamber is the latest in a series of acts which warrant censure by this chamber. I say to my colleagues: the Senate needs to pass this censure motion to uphold the ministerial standards the Prime Minister has failed to enforce. I should not need to move this censure motion; the Prime Minister should have acted. But over recent weeks the Senate, the press gallery and the Australian public have been treated with contempt by an Assistant Minister for Health who has an unhealthy tendency to mislead. The minister has failed to account for her actions by answering questions and, when she has answered questions, she has demonstrated, at best, a reckless disregard for the truth.

At the heart of this matter is the failure of the Assistant Minister for Health to explain how an individual with interests in a lobbying firm with food clients came to be appointed as her chief of staff; and her failure to explain how that chief of staff came to order a government health information website to be shut down. I first asked a question about the taking down of the health star rating system website during question time on 11 February, the first sitting day of the year. Rather than providing a full and frank account of the actions taken by herself and by her office, the minister presented a completely fanciful account. She claimed that the website had been inadvertently placed, and that state and territory ministers had decided to conduct a cost-benefit analysis in a more expansive way than had previously been decided, before the voluntary star rating system would proceed. Neither of the minister's claims was true. And, having got off to this bad start, her answers to legitimate questions about this matter have only become more and more evasive, more and more misleading, and more and more untruthful. And this pattern of behaviour culminated earlier today when she failed to comply with the Senate's order to produce the letter—not just any letter, but the letter which she says sets out undertakings from her former chief of staff to address the conflict of interest in her office.

This matter goes to the heart of ministerial responsibilities in our system of government. Ministers are required to exercise their ministerial duties in a disinterested manner—that is, unaffected by bias or irrelevant considerations, including private advantage for others. Ministers are also required to demonstrate that their decisions are made with the sole objective of advancing the public interest, and to explain their actions to the parliament.

The Assistant Minister for Health's principal adviser had interests in a lobbying firm with food industry clients at the same time as he was advising her and acting for her in relation to policy matters affecting the food industry. This minister has failed to demonstrate how she was able to conduct her affairs in a disinterested manner, acting solely in the public interest.
when she had a conflict of interest at the heart of her office. Despite admitting that her staff member's direct and family interests in a lobbying firm were known to her, the minister failed to take effective action to require him to divest his shareholding in the relevant businesses. The Assistant Minister for Health has failed to uphold ministerial standards, and the Prime Minister has failed to enforce compliance.

Let me take senators through the facts of the conflict of interest in Senator Nash's office. We know that Mr Furnival was engaged as her chief of staff from 19 September 2013. He was a director and a 50 per cent shareholder of Strategic Issues Management, which wholly owns a lobbying business, Australian Public Affairs. Australian Public Affairs has a number of clients in the food industry, including Mondelez, which owns Kraft; Cadbury; and the Australian Beverages Council, which represents soft drink and fruit juice manufacturers.

This is a textbook example of a conflict of interest. Yet Senator Nash denies and continues to deny that there was anything untoward here. So let me spell it out. The assistant health minister makes decisions which directly affect the commercial interests and the profits of companies in the food industry. While she was making these decisions, her most senior adviser owned a lobbying firm which profited from helping food industry clients get what they wanted out of the government. As I said, this is a textbook example of a conflict of interest. But it is not just a hypothetical example; it is a conflict of interest which has been played out in the real world. And, as we all know, on 5 February, the assistant minister decided to take down the health star rating system website, a website designed to help Australians make healthy food choices. It is an important initiative in the effort to prevent serious health conditions, such as obesity, diabetes and heart disease. Public health experts strongly supported the star rating website. It is a system that was more than two years in the making, and a project agreed to by federal, state and territory governments in December 2011. Yet all it took was one phone call to Senator Nash's office from the Australian Food and Grocery Council. The next thing that happened was the assistant minister's chief of staff instructed her department to take down the website immediately. That is a highly unusual chain of events.

Senate estimates heard evidence of the flurry of four phone calls, late in the afternoon of 5 February, from the minister's office to the department, demanding that the website be taken down. The departmental officer responsible quite properly referred the matter to a deputy secretary in the department. At the same time as the minister was ordering the website be taken down at the behest of the Food and Grocery Council, her most senior adviser had a financial interest in a lobbying firm representing confectionery and food manufacturers. This has undermined confidence in the minister, stakeholders and the wider public. In fact, Australians are entitled to ask whether her title should be changed from Assistant Minister for Health to 'Senator for Snack Foods'.

This erosion of public confidence is exactly why there is an onus on ministers to ensure that there are no real or perceived conflicts of interest in their decision-making. It is a responsibility recognised in the Prime Minister's Statement of Standards for Ministerial Staff, which requires staff members to divest themselves of any interest in companies or businesses involved in the area of their ministers' portfolio responsibilities. Under these standards, this minister should have required her chief of staff to divest himself of his interests in Strategic Issues Management. This did not happen until 13 February this year, after questions were
asked in the Senate—five months after his employment with the assistant minister commenced; after she took down the website, and only after the conflict of interest was publicly exposed.

I did agree with one thing that Senator Brandis said in his speech. He said, 'Accusing someone of misleading is a serious matter.' And it is. I will take the Senate through why it is that the opposition maintains this accusation.

First mislead: during question time on 11 February, Senator Nash said:
There is no connection, whatsoever, between my chief of staff and the company Australian Public Affairs.
That is not true. It took Senator Nash six hours, on 11 February, to come into the Senate and reveal that Mr Furnival did in fact have an interest in Australian Public Affairs.

Second mislead: during question time on 13 February 2014, Senator Nash said that one of the reasons that the health star rating website was removed is that the Legislative and Governance Forum on Food Regulation:
… took a unanimous decision to have an extensive cost-benefit analysis done.
That is not true. The communique of the forum's meeting on 13 December shows that it took no such decision, unanimous or otherwise. In an attempt to justify her own unjustifiable decision the minister has pretended it was a decision of the forum.

Third mislead: in estimates last week, Senator Nash said that after she engaged Mr Furnival, he:
… resigned as a director from all the related companies.
That is not true. ASIC records show Mr Furnival continued to be a director of Strategic Issues Management until 13 February 2014.

Fourth mislead: yesterday in the Senate, Senator Nash said—and I, again, quote:
Mondelez has not been a client of APA—
that is, Australian Public Affairs—
since my former chief of staff worked for me.
Again, that is not true. Mr Furnival was engaged as the assistant minister's chief of staff on 19 September 2013. The Australian Public Affairs entry on the federal register of lobbyists listed Mondelez as a client as of 11 February this year. Australian Public Affairs also updated its entry on the Victorian register of lobbyists on Monday of this week, and that entry continues to list Mondelez as a client. So it is demonstrably untrue. And I even gave the minister the courtesy of sending her the extracts yesterday afternoon and inviting her to correct the record, which she has not done.

It is a fundamental feature of our system of government that ministers are accountable to the parliament and, through the parliament, to the Australian people. But the Assistant Minister for Health has persistently refused to account for her conduct. She has refused to outline the appointment process that resulted in the engagement of her former chief of staff. She has refused to explain her failure to uphold the government's Statement of Standards for Ministerial Staff, which require ministerial staff to divest themselves of interests in business involved in their minister's portfolio area, something which was not done. She has refused to tell the Senate when the Australian Food and Grocery Council called her office on 5 February
which staffer took the call in her office. And she has today refused an order of the Senate to produce the letter setting out the actions that would be taken to address conflicts of interest between the business affairs of her former chief of staff and his ministerial staff role.

We have also seen senior members of this government give entirely inconsistent accounts of how the conflict of interest in Senator Nash's office was being dealt with. The Prime Minister has said the conflict was dealt with by requiring Senator Nash's former chief of staff to divest his shareholding in the lobbying business—that is what the Prime Minister told the House of Representatives. But the Special Minister of State, Senator Ronaldson, has conceded that the Government Staffing Committee, which is run out of the Prime Minister's office, did not require Mr Furnival to divest. Senator Nash has said she ensured there was no conflict of interest through a series of undertakings from her chief of staff. Last week she told Senate estimates that these undertakings were set out in a letter her former chief of staff submitted on his engagement. She has rested her whole defence of her conduct on her claim that she imposed undertakings to avoid the conflict of interest, and today she has refused to table the document she claims sets out those undertakings.

Senator Nash has breached the Prime Minister's statement of ministerial standards. The Prime Minister's own standards provide that ministers must ensure that official decisions 'are unaffected by bias or irrelevant consideration such as considerations of private advantage or disadvantage'. Senator Nash has breached this requirement. The Prime Minister's standards also provide that ministers must provide an 'honest and comprehensive account of their exercise of public office' in response to questions from members of parliament. Senator Nash has breached this requirement. The Prime Minister's standards provide that ministers are 'expected to be honest in the conduct of public office and take all reasonable steps to ensure that they do not mislead the public or the parliament', and Senator Nash has breached this requirement.

As I said in the debate on the suspension of standing orders, this is not about whether or not the Assistant Minister for Health is a decent person. It is not about that; it is about whether she is a decent minister. Regrettably, her behaviour as a minister falls so far short of acceptable standards that she must be censured by this Senate. This is not a step, a procedure, that this opposition takes lightly. And, as I said at the outset, I should not need to move a censure motion. The Prime Minister should have acted. He should have acted to uphold his own statement of ministerial standards. He should have acted to uphold the content of his promise to the Australian people to ensure accountability and transparency. The very first statement of his own statement of ministerial standards says:

Ministers and Parliamentary Secretaries are entrusted with the conduct of public business and must act in a manner that is consistent with the highest standards of integrity and propriety.

Yet all this Prime Minister has done is turn a blind eye to his assistant minister's conduct.

This is the very first big test of the integrity of the Abbott government and of the Prime Minister. And the Prime Minister and this government have failed this test comprehensively. The Prime Minister has shown that he is not serious about leading a government that upholds basic standards of transparency, accountability and honesty. His failure to take action against Senator Nash is part of a wider pattern in this government—a culture of secrecy, a culture of misleading the public and a culture of refusing to be accountable to the parliament and, through the parliament, to the Australian people.
In conclusion, there was a conflict of interest at the heart of the assistant health minister's office. Her chief of staff owned a lobbying firm representing food industry clients while she was making decisions affecting the commercial interests of those clients. This raises serious questions over her decision to take down the website designed to help Australians make healthy food choices. Senator Nash has breached the government's own ministerial standards. She has repeatedly made misleading statements to the parliament. She has repeatedly refused to answer legitimate questions about her conduct. She has refused to comply with an order of the Senate—an order simply requiring her to table the very document that she claims proves she ensured that there was no conflict of interest. For these reasons, the Assistant Minister for Health should be censured by this chamber and, if the Senate passes this censure motion, she should resign.

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (15:36): Devoid of policies, devoid of direction and racked by disunity over the repeal of the carbon tax and of the mining tax; over Qantas, over the Registered Organisations Commission and over the Australian Building and Construction Commission, the ALP have embarked on the tired old transparent tactic of trying to unite the troops by attacking somebody on the other side. But the attack should at least have a skerrick of substance, some semblance of logic to it. Let's be very clear: we on this side know Senator Nash to be a minister of integrity, a minister of capacity. She will continue to be a minister of integrity, she will continue to be a minister of capacity—committed to the service of the people of Australia.

Let me deal with one issue that the Leader of the Opposition in the Senate raised—that Senator Nash had failed to respond to an order of the Senate. Well, if that were a crime, Senator Wong and the Labor Party would have been in jail and been censured many, many a time. It is quite proper and reasonable, from time to time, in this chamber, for the chamber to vote for certain matters to be tabled and for the government of the day to decide against it for a variety of reasons. Indeed, Senator Nash has given the Senate a very good reason. Just to make it absolutely clear, let me read into the record a letter from Senator Nash, dated 5 March 2014, directed to our President:

Dear President

I refer to the Return to Order agreed to by the Senate on 4 March 2013, requesting a copy of the letter submitted by my former Chief of Staff, Mr Alastair Furnival, at the commencement of his employment in my office in September 2013.

The correspondence referred to contains information relating to the personal affairs of an individual staff member. It was provided to me on a confidential basis and it is not practice, of either past or present governments, to divulge personal information about individual staff.

I have outlined the relevant undertakings to the Senate previously and I refer honourable Senators to the relevant Senate and Estimates Hansards.

Yours sincerely,
FIONA NASH

Clearly dealing with the issue of the motion and setting out rationally, reasonably and comprehensively why she will not be complying with the order of the Senate—but, nevertheless, treating this Senate with respect by responding, the very next day, with a letter to the President outlining the reasons and the rationale.
I think that was item No. 1 in the great attack by Senator Wong. I am sure that those listening in could not help but notice that Senator Wong started running out of puff after about the first minute and just laboriously read through the typewritten speech that she had, word for word, with about as much excitement as reading it out word for word. There was not much commitment in it.

But let me just refer to my good friends the Australian Greens. It will be recalled that, during the discussion in relation to the suspension of standing orders, when I mentioned the matter of the former Labor minister with whom the Greens were in cahoots to allow them to be in government, to allow Senator Bob Carr to serve as the foreign minister, he maintained a shareholding in his lobbying company. Can I just ask a question? Even if everything that is asserted by the Labor Party is correct, what do you reckon is worse—the minister or a staff member holding shares in a lobbying company? I wonder which one might be worse! I think everybody listening would say it would be the minister.

Here we have exhibit A, indicating that Minister Bob Carr maintained his shareholding in a lobbying company. When I raised that Senator Milne got up and said, 'This is the first time I've heard about it! We know nothing!' It was like Colonel Klink, wasn't it?

Senator Kim Carr: Oh, you shouldn't bring that up!

Senator ABETZ: Ah, now we get the racial—

Senator Kim Carr interjecting—

Senator ABETZ: Very good, Senator Carr, you come in each time—

Senator Kim Carr interjecting—

Senator ABETZ: If you had any degree of integrity about you, you would be apologising—but, look, let's keep on. Our friends in the Australian Greens claimed that they knew nothing about Senator Bob Carr. Can I refer senators to a little extract from our Journals and from Hansard of 14 August 2012, where my good friend Senator Ryan moved a motion headed 'Standards of Ministerial Ethics'. It asked that 'The Senate notes', among other things, 'R.J. Carr Pty Ltd, his former lobbying company', and talked about the standards of ministerial ethics, which requires 'that ministers divest themselves of investments and other interests in any public or private company or business'. It further called on 'Senator Bob Carr to table any advice he has received'.

Does that sound familiar: tabling advice in relation to matters of conflict of interest and standards of ethics? Do you know what happened when that got put to the vote? Not one Green, not two Greens, not three Greens, not four—but all nine of them, including Senator Milne, voted against the motion! And Senator Milne says, 'The first time I've heard about this company and Senator Bob Carr's standards of ministerial ethics being breached is today!' Doesn't that once again tell you everything you need to know about the Greens? They will vote against matters to protect the Labor Party when they have no understanding of the issues. They know nothing, they claim, but they will vote against it no matter what.

Senator Kim Carr interjecting—

The DEPUTY PRESIDENT: Order! On my left.
Senator ABETZ: What that shows is that the Greens and that Labor Party will always support each other when they are in strife, even in circumstances where they do not understand the issues that are involved.

Senator Kim Carr: Lord Brandis will have to step in here!

The DEPUTY PRESIDENT: Order! Senator Williams, you have a point of order?

Senator Williams: Mr Deputy President, I am trying to listen to Senator Abetz speaking, presenting his strong arguments, while Senator Carr is on the other side squealing like a stuck pig. I cannot hear the speaker. Will you please ask Senator Carr—

The DEPUTY PRESIDENT: Thank you, Senator Williams. I remind all senators to listen to the speaker in silence. Senator Abetz, you have the call.

Senator ABETZ: So here we have the squeaky-clean Australian Greens saying that we have to vote for this motion because Senator Nash has allegedly misled the parliament. Excuse me! Senator Milne has misled the parliament during the debate by asserting she knew nothing about the motion for which she is recorded as voting against. It was not only Senator Milne. Every single one of the Greens senators came rushing in to defend Senator Bob Carr over an open and shut case in relation to a breach of ministerial ethics. Way back at law school I remember the line we were taught: he who comes to equity must come with clean hands. So one would hope those who claim that there has been some breach of some parliamentary standards are the upholders of the very highest standard.

The first allegation is 'misleading the Senate'. I wonder who might have misled the Senate about the emissions trading scheme and its consequences? I wonder who that might have been? Not Senator Wong, surely! Or how about the carbon tax: there will be no carbon tax. That wouldn't have been Senator Wong, would it? No! And what about the deficit that was left behind and the budget blow-outs as finance minister? No—no misleading of the Senate there! And what about the vote protecting Senator Bob Carr?

Senator Wong: Nash is her name. You might want to defend her at some time.

Senator ABETZ: Here we go, you see. What I am pointing out, Senator Wong,—and I am sure you understand it—is the gross hypocrisy and indecency of this motion. Because if that were the standard applied to the Australian Labor Party over the past six years then the whole front bench would have been removed. Senator Wong knows, as everybody in this place knows, that the ministerial standards on this side are so much higher than they ever were in the Labor Party.

Let us be very clear. When there was a motion in this place to expose the documents the Fair Work Commission had gathered together, in great detail, relating to Craig Thomson, the former Labor member for Dobell, whose one vote was helping to prop up the Gillard/Greens government, the Labor Party and the Greens voted together to ensure that those documents would not be made available for public viewing. I wonder why? Because it would have exposed once and for all the gross dishonesty of Mr Thomson, who we now know has been found guilty by a court of law. So, please, I say to the Labor Party: don't insult the intelligence of our fellow Australians by pretending, on a broadcast day, that you somehow adhere to standards of ministerial and parliamentary behaviour that you came nowhere near standing by or abiding by during your six years.
In relation to Senator Nash, I understand that there were three allegations. First, there was 'misleading the Senate'. There was no misleading of the Senate. Senator Nash, on re-reading her Hansard, thought further information should be added to an answer, and that was done on the very same day. You could not be quicker and clearer and more conscious of your ministerial responsibilities than Senator Nash was when, upon realising there was a potential ambiguity in an answer, she came back into the chamber on the same day to clarify the situation.

**Senator Wong:** It was not an ambiguity. It was completely untrue.

**Senator ABETZ:** Senator Wong continues thinking that noise and repetition somehow obviates the need for fact. In a debate such as a censure motion noise and mindless repetition never obviates the actual need for facts to base the censure on, and there simply has been no basis in fact for this censure. There has been no misleading in any way, shape or form by Senator Nash.

The second point was that she had allegedly failed to comply with an order of the Senate. If that were a sin Senator Wong would have had to have resigned as a minister. I indicate that Senator Nash did respond to the order of the Senate the very next day—in rough terms, one assumes, within a 24-hour turnaround she provided a comprehensive answer to our President of this place, to indicate that she was treating this place with the respect it deserves, unlike those who have been hollering throughout this debate. She has complied with the order in the normal tradition. So, the second point fails.

Point three was that she had failed to account for her actions. We have had question time after question time and we have had Senate estimates going on and on, and Senator Nash has given a fantastic account of herself, and of her ministerial role and responsibility, in a manner that I think every minister should be able to aspire to. She has set a high standard and has answered all of the questions in great detail.

This is the Labor Party whose former national president is currently in remand on charges of criminality—the man who organised the numbers to get Craig Thomson into the parliament, who helped organise the numbers for Ms Gillard and who was right up there and right in it. This is the same Labor Party, having those people at the top, that voted to keep the documents secret, despite the Fair Work Commission saying that they had no concern as to whether or not those documents would be made available. In those circumstances the Labor Party voted to do what? To keep the documents secret. Why? To keep their tainted, dysfunctional and disunited government in power. That is the only reason they did it. And who helped keep them there? The other party that will undoubtedly vote for this censure as well—namely, the Australian Greens.

The Australian Greens, who claim they knew nothing about Bob Carr's conflict of interest, voted against him reporting to the Senate about it—not one of them but all of them, including the leader. They made sure that everybody came into the chamber. They made sure that not one of them was missing. They were showing to the Labor Party their complete and utter loyalty in the Labor Party's hour of need, when Bob Carr was under the microscope in clear breach of the ministerial standard. Just in case there is any doubt, the ministerial standard requires that ministers divest themselves of investments and other interests in any private
company. He kept his shareholding for the full 18 months. Nothing could be more open and shut: throughout his 18 months as a minister, he kept that shareholding in his lobbying company.

*Senator Whish-Wilson interjecting—*

*Senator ABETZ:* Senator Whish-Wilson, who is interjecting, voted to ensure that the matter did not proceed before the Senate. He was part of the protection racket for Senator Bob Carr. The Australian Greens will always join the Labor Party in the protection racket. That is why they are against the registered organisations commission; that is why they are against the Australian Building and Construction Commission—because they do not want to see proper standards apply to registered organisations and trade unions, they do not want to see the rule of law apply on our building sites around this country, and nor do they want to see any standard applied on Labor ministers. But, when it comes to the coalition, we have a completely different standard.

*Senator Whish-Wilson interjecting—*

*Senator ABETZ:* Senator Whish-Wilson says he has to take a stand against lobbyists. Isn't that very interesting? Pity he did not take the stand against Mr Graeme Woods' $1 million donation that was personally negotiated by his leader—something that not even the Labor Party would allow under its code of conduct of fundraising, and we most definitely would not allow it. You come into this place claiming you are squeaky-clean on ethics, your leader deals personally with the biggest donation in Australian political history, and you have the audacity, the hypocrisy, the duplicity, to assert that somehow you are the harbinger of all moral standards in this place. Your actions speak so much louder than your words, Senator Whish-Wilson. The Australian Greens actions speak so much louder than their words.

If we really thought that Senator Wong was genuine in this—we knew she was running out of puff; we knew she was running out of arguments—she then tried the very lame line that this minister might be named as the 'Minister for Snack Foods'. Here we are in the middle of, allegedly, the most serious matter ever to confront this parliament and we have Senator Wong making the horrendous allegation that Senator Nash might be known as the 'Minister for Snack Foods'. Really? Is this as serious as the Labor Party gets? Is this as good as Senator Wong gets in relation to these matters? The listening public would be saying to themselves, 'We thought the Labor Party might actually be interested in the issues of the day, like Qantas, the repeal of the carbon tax and the repeal of the mining tax. What can we do to get jobs generated in this country?'

I think Senator Wong might have form in this regard. I know what happened to Ms Gillard and I know what Senator Wong is trying to do to Senator Nash, but the good news is this: we on the coalition side will look after our ministers, and our female ministers as well. We will not see them knifed off by the likes of Senator Wong, especially when we know that they uphold the— *(Time expired)*

The DEPUTY PRESIDENT: Senator Abetz, just for the completeness of the record, can you table the letter that was produced by Senator Nash to the President of the Senate?

*Senator ABETZ:* Absolutely.

The DEPUTY PRESIDENT: Thank you.
**Senator FAULKNER** (New South Wales) (15:57): It is true: any motion to censure a minister is serious. I agree with Senator Brandis who said earlier this afternoon that in this chamber a motion of censure of a Senate minister is important as an accountability tool. A censure motion should never be moved lightly and should never be agreed to unless a strong case is made.

In relation to this matter, Senator Nash's serious failure in the exercise of her ministerial responsibilities, her failure to account for her actions and conduct as a minister, her failure to comply with an order of the Senate, and her failure to correct misleading statements made both before the Senate and Senate committees do warrant severe censure. In this case, serious questions arise regarding Senator Nash's competence and her suitability for ministerial office. Senator Nash has been given ample time and ample opportunity to correct misleading statements she has made and to answer questions directed to her, not to mention provide a full explanation to the Senate regarding all the circumstances surrounding the removal of the Health Star Rating website. She has failed to do so.

First, some background. This website provided details of the Health Star Rating system, designed to give clear and accurate information about the nutritional content of packaged food. And given this government's repeated declarations that this is the age of personal responsibility, you might think that this website is exactly the sort of thing the government would be in favour of: providing tools to Australians to take personal responsibility for their choice of food. But Senator Nash's office went into overdrive to have the website removed. Mr Furnival—then Senator Nash's chief of staff—phoned an assistant secretary from the Department of Health, on 5 February, demanding the website be taken down. This occurred, of course, on the same day that the CEO of the Australian Food and Grocery Council, Mr Gary Dawson, phoned Senator Nash's office to express his concern that the website was premature.

The secretary of the Department of Health provided evidence at Senate estimates that the official who received Mr Furnival's call reported the call to a senior officer because 'it was above my pay grade'. An assistant adviser in the minister's office then spoke to an acting deputy secretary of the department, advising 'We would like the website to be taken down.' The deputy secretary advised that he was in a meeting and would look into it 'as soon as possible'. The assistant adviser again called the deputy secretary, 'roughly 15 minutes later', asking for progress—just 15 minutes later—and the pressure was really on. But the deputy secretary advised that he was still looking into the matter and consulting the acting secretary of the department. The acting deputy secretary then took a phone call from Senator Nash—approximately half an hour after her assistant adviser's last call requesting that the website be taken down. The department at this time, I suspect, probably realised they were fighting a losing battle and complied with the request.

Mr Furnival was not only Senator Nash's chief of staff at that point but also a co-owner and director of Strategic Issues Management, which wholly owns the company Australian Public Affairs—which lobbied on behalf of Mondelez, the parent company of Kraft Cadbury, a company which expressed concerns about the Health Star Rating system. And prior to becoming a ministerial staffer, Mr Furnival said that he was an economist for Cadbury. Another client of Mr Furnival's co-owned company APA was the Australian Beverages
Council, whose members include Coca-Cola and PepsiCo and which also has a close interest in the development of the Health Star Rating system.

In question time in the Senate, on 11 February, Senator Nash told the Senate:

... There is no connection, whatsoever, between my chief of staff and the company Australian Public Affairs. My chief of staff has no connection with the food industry and is simply doing his job ...

This was simply not true. In fact, it was very far from the truth. Senator Nash claimed, in question time, on 12 February:

... my chief of staff complies with proper internal standards under the Statement of Standards for Ministerial Staff ...

This was not true either. Senator Nash did make a statement to the Senate indicating Mr Furnival's spouse gave undertakings that APA:

... would not (a) make representations to either myself or Minister Dutton; (b) make representations to the Department of Health; or (c) make representations on behalf of any clients to other ministers of the Commonwealth in relation to the health portfolio.

That is not the test to be met in relation to ministerial staff standards—in fact, it is an arrangement that should not be necessary at all.

Unfortunately for the government and Senator Nash, we know that Mr Furnival breached at least three of the standards that all ministerial staff are obligated to adhere to. For the record, they are clauses 3, 4 and 6 of the Statement of Standards for Ministerial Staff. Mr Furnival failed to disclose and take reasonable steps to avoid any conflict of interest in connection of his employment, which is essential to conform with clause 3 of the statement.

Senator Nash should not have allowed that to happen. Mr Furnival also breached paragraph 4 of the standards. It says staff must:

Divest themselves, or relinquish control, of interests in any private company or business and/or direct interest in any public company involved in the area of their Ministers’ portfolio responsibilities.

Senator Nash should not have allowed that to happen either. He also breached paragraph 6 of the standards. It requires staff:

Have no involvement in outside employment or in the daily work of any business, or retain a directorship of a company, without the written agreement of their Minister and the Special Minister of State.

Senator Nash should not have allowed that to happen either. I note for the record that the Government Staffing Committee considers all ministerial appointments. This committee is centrally controlled by the Prime Minister's office—as so much is in the Abbott government. I also note that reasonable questions asked by senators at Senate estimates committees of ministers about the role of the Government Staffing Committee in the appointment of Mr Furnival were not answered, and I suspect reasonable questions that should have been asked about Mr Furnival's employment were not asked by any member of Mr Abbott's Government Staffing Committee either. But one thing that we can say for sure, as the Department of the Prime Minister and Cabinet has confirmed, is that the Prime Minister personally approves all ministerial staff appointments.

Senator Nash claimed in Senate estimates on Wednesday, 26 February, in relation to her former chief of staff, Mr Furnival, that 'he had resigned as a director from the companies.' That was not true either, as the records of Australian Securities and Investments Commission
showed. In fact, Mr Furnival ceased being a director of Strategic Issues Management Pty Ltd on 13 February 2013, about five months after he joined the minister’s office and only after this became a matter of notoriety after questions were asked in this very chamber by the opposition. Then Senator Nash claimed in question time yesterday:

Mondelez has not been a client of APA since my former chief of staff worked for me. APA did no work for Mondelez. I cannot be any clearer than that.

Senator Abetz: That is right.

Senator FAULKNER: ‘That is right,’ says the Leader of the Government—big mistake! But I will have to give you this, Eric, it is the only time you have actually engaged in the substance of the debate at all. The facts are that Mondelez was listed as a client on the federal lobbyists register until last month, and I understand—as we have heard today—it was still listed on the Victorian lobbyists register yesterday. It was another statement about this matter, this time in question time just yesterday, that is simply not true. In Senate estimates on Wednesday, 26 February, Senator Nash indicated that Mr Furnival provided her with a letter on his engagement as her chief of staff relating to conflicts of interest between his business affairs and his role as a ministerial staffer. The minister was asked in estimates by Senator Wong, the Leader of the Opposition in the Senate, to provide a copy of that letter. The minister refused to do so. But not only did the minister refuse to do so in Senate estimates, she has now refused to provide it to this chamber. She has now refused to comply with an order of the Senate to provide a copy of the letter. I would say that is a very, very contemptuous attitude from a very, very embattled minister.

It appears that the failure to declare conflict of interest became a habit. There is a standing item on the agenda of the Legislative and Governance Forum on Food Regulation which requires members and supporting staff to declare any conflict of interest. Mr Furnival attended a meeting of that forum on 13 December 2013 in his official capacity with the minister. He made no declaration, and this also is a clear breach of the standing arrangements for what is a very important ministerial council. There are two key paragraphs in the statement of ministerial standards that I think are of particular relevance to Senator Nash and her conduct, and Senator Wong has mentioned these. The first of these is paragraph 3.2, which states:

… Ministers are required to ensure that official decisions made by them as Ministers are unaffected by bias or irrelevant consideration, such as considerations of private advantage or disadvantage.

The second is paragraph 4.4, which states:

Ministers are required to provide an honest and comprehensive account of their exercise of public office, and of the activities of the agencies within their portfolios, in response to any reasonable and bona fide enquiry by a member of the Parliament or a Parliamentary Committee.

Now we have codes of conduct for staff and for ministers, and everybody in this place knows it. This is because the decisions of government must be made and must be known to be made on their merits, because decisions must be made transparently and because ministers must represent the interests of the Australian public, not serve the interests of private companies. As the Prime Minister said in the forward to his own statement of ministerial standards:

… it is vital that Ministers and Parliamentary Secretaries conduct themselves in a manner that will ensure public confidence in them and in the government.
The integrity of government processes is a fundamental underpinning to our democracy and to our democratic system. If the Australian community cannot have confidence that government decisions and actions are based on policy not patronage, then we cannot have faith that the votes that are cast are part of the directing government in determining our country's direction.

Senator Nash's clear breach of the standards relating to private advantage and disadvantage has far more widespread and extensive consequences than just the removal of a food-rating website. Her failure to provide an honest and comprehensive account of her actions compounds the damage of her actions. Ministers provide answers to parliament as a crucial part of accountability. It is one of the most important ways the Australian community finds out what is done by the government—what is done in their name.

To treat questions in the parliament and in parliamentary committees with contempt, is to treat with contempt the right of Australians to know how their government acts. It undermines the basic tenet of democracy: that we cast our votes based on the assessment of the alternatives. We have been invited by the government to put the case against Senator Nash in this censure motion. Senator Wong and I have addressed these issues in substance and in detail this afternoon.

This is why Senator Nash's actions are so serious and so deserving of censure. If the Prime Minister will not take any steps to protect what I think are the principles at the heart of our democracy, by acknowledging Senator Nash's egregious failures, and if he will not take the appropriate action then I say—and I hope the majority of the Senate will join me in saying this—the Senate must do just that by passing this censure motion.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (16:17): I think it is important to pause for a moment to reflect on the reason we are debating this censure motion. It is because Labor and the Greens combined to suspend standing orders. What we witnessed in that act was the band getting back together. The much heralded divorce proved to be only a trial separation. Those on this side of the chamber know that Labor and the Greens—

Honourable senators interjecting—

The PRESIDENT: Order, on my left and on my right! The speakers have been heard in silence. It does not help if either side intervenes when the speaker is on their feet. The speaker is entitled to be heard in silence. If you wish to participate in the debate that is obviously something that remains within your province in this chamber. I ask both sides to respect the speaker.

Senator FIFIELD: As I was saying, the band is back together. Those of us on this side knew that Labor and the Greens were continuing to secretly cohabit. I know those on the left of politics around Australia will be rejoicing for this reunion.

The other interesting thing about the debate we have heard this afternoon is the deployment of Senator Faulkner. The Labor Party think, 'In case of emergency, break glass and deploy Senator Faulkner!' Whenever an argument is failing, they roll out Senator Faulkner to try and lend some of that well-honed gravitas to the argument that is before the chamber. We saw that today. Senator Faulkner was in high dudgeon, doing his very best confected-outrage routine.
We know when we see Senator Faulkner mounting an argument in this place that Labor have effectively given up the case that they are prosecuting.

If Labor had their hearts in this—if they believed for a second the argument that they are seeking to put in this place—why would we not have had a single frontbencher other than Senator Wong? Senator Moore spoke on the suspension motion. I acknowledge Senator Moore’s contribution there. When we move down the line, was Senator Conroy going to participate? I do not think so. I really do not think Senator Conroy would be in a very strong position to contribute to this debate. Perhaps Senator Polley could have spoken? I will let that be a rhetorical proposition! Senator Cameron?—again, I do not think so. I guess colleagues are getting my point: there are not too many options on the front bench on the other side when it comes to people to prosecute cases. When an argument is particularly in trouble they bring back Senator Faulkner. We saw that today, so we can put that aside.

There have been some very serious allegations made today against Minister Nash. She has been accused of misleading the Senate. She has been accused of failure to comply with an order of the Senate. She has been accused of a failure to account for her actions. They are serious allegations and they should never be made lightly in this place. As Senator Brandis said, to impugn someone’s motives, someone’s behaviour or someone’s conduct without being able to back that up is a very serious thing to do. It is an appalling thing to do.

What we have witnessed in the course of this debate is that the goalposts have continually moved, in terms of what it is that minister Nash is supposedly guilty of. The goalposts keep changing. I must say I have been following this debate in this place, in estimates and in question time, very closely. I have found it extremely difficult to work out what the precise charge against Minister Nash is. This first that was levelled was the question of whether there was a delay between the first question that Minister Nash answered in question time and when she came into the chamber to provide additional information that she thought was appropriate and necessary.

Labor have been getting hysterical. They have been hyperventilating over the fact that Senator Nash came into the chamber on the same day. I would have thought that it was a minimum standard that a colleague comes into this place on the same day. The time period that elapsed was six hours, and we are meant to gasp that there was a six-hour gap.

I would encourage colleagues who may not have been in the community affairs estimates committee last week to refer to the Hansard evidence of Senator Stephen Parry, the Deputy President of the Senate. An unusual thing happened in that Senate estimates hearing. Senator Parry sought the opportunity in that committee to make a statement. Usually, as we know, the format for estimates is that questions are asked and answers are given. Senator Parry sought the indulgence of the committee because he wanted to assist in their deliberations—and I acknowledge that Senator Faulkner and Senator Wong provided Senator Parry with that opportunity. What Senator Parry wanted to do was to forensically go through that six-hour period which Senator Nash supposedly was using to not come into this chamber. I refer colleagues—it is well worth reading—to the Hansard of the community affairs estimates of Wednesday, 26 February 2014. Senator Parry went through the pattern and the flow of what happened in this chamber on that day and made it very clear that Senator Nash availed herself of the first practical, reasonable opportunity to provide additional information to this chamber. I know colleagues around this room hold Senator Parry in some regard, and Senator Parry did
a very forensic job at analysing the pattern and flow of that day. So I think we can put completely to one side that argument that Senator Nash in some way delayed providing information to the Senate. She takes her responsibilities very seriously, and she took the first appropriate and reasonable opportunity to provide that information.

Then there is the issue of the failure to comply with the Senate order, which, I guess, is the latest charge. The first charge was the six-hour delay; this failure, supposedly, to provide information to the Senate chamber is the latest charge. Senator Nash did respond to the order of the Senate. We all know in this place that, when you respond to an order of the Senate, those who put in the request might not necessarily like the way that you respond. They might not necessarily like the content of your response to the Senate, but the fact is that Senator Nash did respond to that order of the Senate. As to her response, which was in relation to documentation related to with Mr Furnival, her former chief of staff: I am pretty unsurprised by the content of her letter. I quote: 'The correspondence referred to contains information relating to the personal affairs of an individual staff member. It was provided to me on a confidential basis and it is not the practice of either past or present governments to divulge personal information about individual staff. I have outlined the relevant undertakings to the Senate previously and I refer honourable senators to the relevant Senate and estimates Hansard.' That is an entirely appropriate approach. Staff members of members and senators are entitled to some confidentiality about their particular circumstances. They are not members of parliament; they cannot defend themselves in various forums. So I think it is an entirely orthodox approach that Senator Nash has taken in responding to the order of the Senate.

The other allegation which, I guess, has been thrown about—between the first charge of a delay in providing information to the Senate and the last charge of failing to respond to an order of the Senate; the accusation that has bounced around between those two goalposts—has been that of a conflict of interest. I have listened closely to Senator Nash and I believe that appropriate steps were taken to deal with potential conflicts of interest. In any ministerial office there are a range of potential conflicts of interest. What matters is what steps are taken and how those are managed. We know that there were steps taken towards divestment and that there were appropriate undertakings given. So I struggle with the proposition of a conflict of interest.

Then, between those two goalposts I mentioned before, we have had thrown around the issue of disclosure. Has Minister Nash appropriately disclosed all that she needs to? Minister Nash has answered question after question in this chamber during question time. Minister Nash answered question after question, hour after hour, in the community affairs estimates committee. And today, where Minister Nash, in the debate about the suspension of standing orders, did not shy away from rising to her feet and making her case—she had no hesitation at all. She has taken every opportunity to provide a full account of herself.

I guess what this debate really comes down to—and I think it is something that we probably would all agree with—is that public life is a test of character, ultimately. The conduct of senators in this place is a test of character on a daily basis. The conduct of ministers in their roles is, on a daily basis, a test of character. I have no doubt that Minister Nash, as a senator, passes the test of character in terms of her behaviour and conduct. I have no doubt that Minister Nash, in her capacity as a minister in the execution of her duties,
passes that test of character. But, when it comes to a test of character in the conduct of one's duties as a frontbencher, I want to draw a contrast between Minister Nash as a frontbencher and Senator Conroy as a frontbencher. I think we all recall Senator Conroy in the immigration estimates committee, where it is now a matter of record that Senator Conroy accused Lieutenant General Angus Campbell AO DSC of being engaged in a political cover-up. I witnessed Senator Conroy warming up for that particular activity in the communications estimates hearing, where he accused Dr Ziggy Switkowski of being a liar, of misleading the Senate and of being in contempt of the Senate. So, if we are going to compare the conduct of frontbenchers as a test of character, I will put Minister Nash up against Senator Conroy any day of the week.

I cannot help but think, knowing how fond Senator Conroy is of Jack Nicholson movies, having cited *A Few Good Men*, that in the immigration estimates hearing he was combining two other Jack Nicholson roles—Jack Nicholson in *The Shining* and Jack Nicholson in *One Flew Over the Cuckoo's Nest*—such is his fondness for Jack Nicholson movies. I refer to Senator Conroy to make the point that those opposite throw words around like confetti. They forget that words have meaning. That is why we saw Senator Conroy, in the communications estimates hearing, talking about Dr Switkowski lying, talking about Dr Switkowski being in contempt, talking about Dr Switkowski misleading the Senate: lying, contempt, misleading. Here today, we are again seeing that pattern of throwing words around as though they have no meaning. This time we are seeing the word 'censure'—this chamber seeks to censure Minister Nash for the charges laid out by Senator Wong. I point out to those opposite that words do have meaning. You cannot just walk into a Senate estimates hearing and accuse someone of being a liar. You cannot just walk into a Senate estimates hearing and accuse someone of being in contempt.

Senator Wong: You can't walk in here as a minister and say things that are a lie.

Senator FIFIELD: And you cannot just walk into this place and throw the word 'censure' out there in relation to the activities of a minister.

Senator Wong: She keeps saying things which are not true, and you are defending it.

The PRESIDENT: Order! You have had your opportunity to participate. Senator Fifield has the call.

Senator FIFIELD: I guess I would call this approach to discourse in this place a Conrovian approach. Those opposite do need to pause and they do need to think very carefully before they make charges against people, whether they be witnesses at estimates hearings or ministers in this place. You must think very carefully about the words that you use and that you choose to level against people in the conduct of the parliament.

I think there are examples of genuine misconduct in public life—genuine misconduct in the form of the Australian Labor Party before an election saying that they would not introduce a carbon tax. I think that is serious political misconduct. And they did—we know they did. Before another election, they promised that they would be abolishing the carbon tax, and they have opposed that. I refer to those two examples because, as I say, the debate before us is about character. The charge that is being levelled at Minister Nash is that she has failed the test of character in her conduct as a minister, which I reject. I level the charge at the other side
that they have failed, collectively, the test of character in public life with their repeated misleading of the Australian people before subsequent elections. I make the charge that Senator Conroy has failed the test of character in his conduct as a frontbench member.

Senator Wong has said that if this motion passes, she thinks that Senator Nash should resign. We have got to see it for what it is—it is a trumped up charge, and no such thing should happen if this motion passes. I think Senator Conroy should resign for his conduct. If we are talking about failing character tests, he has failed clearly, absolutely and utterly.

At the heart of the allegations made in the censure motion is the accusation that there has been a vested interest of some sort at play in Minister Nash's office—again, I have seen no evidence of this. However, on the other side of politics we see vested interests at play each and every day. We see them at play in the cheek by jowl relationship between the Australian Labor Party and various trade unions—not all trade unions; there are some good trade unions, but there are some trade unions that are not so good, and one of those is the HSU. If we want examples of vested interests inappropriately at play in public life then we need look no further than the relationship the Australian Labor Party has with certain trade unions. We have also seen some very curious relationships between the Australian Greens and certain individuals who give money to the Australian Greens. There are vested interests at the heart of the activities of the Australian Greens.

Senator Nash is a person of the utmost integrity. Those of us who know her well have no difficulty in trusting in her appropriate execution of the roles and responsibilities of a minister. Those of us who know Senator Nash have no difficulty trusting that she appropriately fulfils her obligations as a senator and—even more importantly—that she fulfils her obligations to this chamber, that she is accountable to it, that she is answerable to it, and that she answers each and every question put to her. We have seen her do that day after day.

We need in this place to be very careful before moving censure motions. As I say, words have meaning; words have power. They are not to be used lightly. We have seen a pattern emerging from those opposite where they will say anything about anyone for political advantage. Senator Conroy is exhibit No. 1 in that regard. I would urge those opposite to pause and step back from this motion. It is not justified. It is not warranted. The charges against Senator Nash have not been proved. She has taken every opportunity to account for herself. As far as I am concerned, the fact that Mr Furnival has now left Senator Nash's office means the matter is closed. I do not accept for a second that there was an issue at play, but the fact that Mr Furnival has now left the office puts beyond any doubt that there is any matter that remains to be addressed.

I would urge colleagues not to support this motion, I would urge the Australian Greens not to support this motion and I would urge Labor senators not to support this motion. It is one of the gravest allegations that can be levelled against a colleague—that they are deserving of censure. Senator Nash is not deserving of censure; she is a person of integrity, she is a senator of integrity and she is a minister of integrity. She has given tremendous service to this place and she will continue to give tremendous service to this place, not only as a senator but also as a minister, for many years to come.

Senator DI NATALE (Victoria) (16:38): The substance of the defence from the government is that Senator Nash has provided answers to the allegations before her. It was the substance of the defence outlined by Senator Fifield and, previously, by Senator Abetz and
Senator Brandis. On that we agree: she has provided answers. She has provided answers to the Senate during question time, she has provided answers during Senate estimates and she has provided answers here today. What we take issue with is the content of those answers. That is the issue here: it is not good enough to say that you have answered allegations, and that is the end of the matter. It is the content of those answers that is at issue.

 Senator Wong and Senator Faulkner have gone through the sequence of events in great detail. I will not do that again. I will not dwell on the specific issues that have been addressed. I will, however, turn to a few points. The first issue is that—and people who are following this debate may not necessarily have followed every detail, so I will try and summarise it—during Senate estimates, Senator Nash said, clearly she knew Mr Furnival; she had known him for years; they had a longstanding relationship; due diligence was carried out; and they were fully aware of his relationship with the lobbying firm. There were no questions about that. What I cannot square off is that, in Senate question time, Senator Nash went on to say, very clearly:

 There is no connection whatsoever between my chief of staff and the company Australian Public Affairs.

 I understand that sometimes we are caught on the hop in this place. Sometimes we panic. Sometimes we might not understand the question correctly. That is fine; that is what happens. But Senator Nash has been given a number of occasions to explain how we can square those two completely contradictory statements from her. On one hand, 'I have known him for a long time; I am fully aware of his connection to the company—in fact, we performed due diligence on his appointment', and on the other hand, to come in here and say, 'There is no connection whatsoever between Mr Furnival and the company.' It does not make sense. And without a thorough explanation, the only conclusion that we can come to is that the Senate was deliberately misled.

 Then there is the issue of the conflict of interest. Again, just a few facts: that Mr Furnival owned the company with his wife. Let us be clear about that. He was a director of the company with his wife. He owned it and directed the company. We know that the ministerial code of conduct says very clearly—and this is not an area of ambiguity, if you have a pecuniary interest in an area in which a minister is involved, then that is a conflict of interest. This is a clear conflict of interest. Yet what we are told is that steps were undertaken to ensure that conflict of interest was dealt with—and we are provided with no evidence to confirm that those steps in fact have taken place. It is a clear conflict and, for me, it is a lesson in how you deal with a situation like this. The first thing is, you have to accept this point—that facts do not matter; that when you come into the Senate, facts simply do not matter. We are entering a parallel universe here, where black is white and white is black. When you are in a political crisis, dig in; if you are going to tell a lie, tell a big one and tell it often.

 For me the biggest concern here is not the issue around the appointment of Mr Furnival. It is not the fact that there was a conflict of interest. It goes to the heart of everything that is wrong with our Australian democracy at the moment—that is, the privileged role of special interests in the Australian parliament. Earlier today, we voted against gambling reforms because of the power of the pokies industry. Everybody remembers what happened during the mining tax debate, when the mining industry came to town and we saw the previous government turn its back on what would have been an excellent reform. We are hearing now
about moves afoot to wind back protections for consumers in the financial services industry. We have my colleague, Senator Whish-Wilson, pushing to try and get container deposit legislation. And who are the biggest obstacles to that? The Australian Beverages Council, one of Mr Furnival's clients. That is the issue here. That is the problem that makes meaningful reform very difficult. It has a corrosive impact on the Australian parliament. If we look at the specific portfolio area that Minister Nash is responsible for, what are the great health challenges? What are they? One is obesity. We have a country with one of the highest obesity rates anywhere in the world. What was proposed? Providing consumers with information via a star rating website that made it very clear to consumers—to individuals—that some foods that they may have thought were healthy were in fact less healthy than they thought, or the reverse. That is what this reform was about.

What really confuses me here is that on the one hand we have a conservative government that says the only way for markets to work efficiently is if we have a decent flow of information, yet here we are with a reform that provides consumers with information and we have Mr Furnival, whose lobbying firm works on behalf of the junk food industry, preventing consumers from getting access to that information. Here is the paradox for the coalition: are they going to be true to that Liberal philosophy that says consumers should get access to good information, or is their connection to big business so entrenched that they will deny people that information?

Look at the area of alcohol reform. We recently had a big national debate about the issue of alcohol fuelled violence and alcohol related harm. At the same time, we had the defunding of an alcohol and other drugs agency on the basis that the work they were doing was duplicated by other agencies—which, we learnt through Senate estimates, simply was not true. When it comes to tobacco control we have a party—and a minister who belongs to that party—continuing to take donations from the tobacco industry. How is it that a party, and a minister, who has control over tobacco policy can continue to be the only party in the Australian parliament that continues to take donations from an industry that kills people? It is another obvious conflict.

No-one here enjoys this business. A censure motion is a serious thing. And of course there is a human element to all of this. I do not know Senator Nash. I am sure she is a decent person. But this is not about whether she is a decent person. Sometimes, good people make serious mistakes. Senator Nash has made a number of serious mistakes. What needs to happen now is straightforward. The website that was taken down should immediately be reinstated. People should not be denied access to information that will improve their health. If it is not the role of government to protect the health of the Australian community, then I do not know what we are doing here. The funding for the Alcohol and Other Drugs Council should be immediately reinstated. We need to ensure that the National Party are dragged into the 21st century and that they join the Greens, the Australian Labor Party and, most recently, the Liberal Party in ruling out donations from the tobacco industry. In taking these actions, the minister can demonstrate that she does put the health of the Australian community ahead of those privileged special interests. She needs to correct the record on the statements she has made, and then she should do the dignified thing and resign as minister.

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

The Senate divided. [16:53]
Ayes ................. 37
Noes ................. 31
Majority .......... 6

AYES

Bilyk, CL
Brown, CL
Carr, KJ
Dastyari, s
Farrell, D
Furner, ML
Hanson-Young, SC
Lines, S
Lundy, KA
McLucas, J
Moore, CM
Peris, N
Pratt, LC
Siewert, R
Stephens, U
Thorp, LE
Urquhart, AE
Whish-Wilson, PS
Wright, PL

Bishop, TM
Cameron, DN
Conroy, SM
Faulkner, J
Gallacher, AM
Hogg, JJ
Ludwig, JW
McEwen, A (teller)
Milne, C
O'Neil, DM
Polley, H
Rhiannon, L
Singh, LM
Sterle, G
Tillem, M
Waters, LJ
Wong, P

NOES

Abetz, E
Bernardi, C
Boswell, RLD
Brandis, GH
Cash, MC
Eggleston, A
Ferravanti-Wells, C
Heffernan, W
Kroger, H
McKenzie, B
O'Sullivan, B
Payne, MA
Ruston, A
Scullion, NG
Siddonos, A
Williams, JR

Back, CJ (teller)
Birmingham, SJ
Boyce, SK
Bushby, DC
Edwards, S
Fawcett, DJ
Fifield, MP
Johnston, D
Macdonald, ID
Nash, F
Parry, S
Ronaldson, M
Ryan, SM
Seselja, Z
Smith, D

PAIRS

Collins, JMA
Ludlam, S
Marshall, GM

Colbeck, R
Mason, B
Cormann, M
Question agreed to.

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (16:55): Mr President, I ask that further questions be placed on the Notice Paper.

NOTICES

Presentation

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (16:56): I give notice that, on the next day of sitting, I shall move:

That the provisions of paragraphs (5) to (8) of standing order 111 not apply to various bills, as set out in the list circulated in the chamber, allowing them to be considered during this period of sittings.

The list read as follows—

Excise Tariff Amendment (Tobacco) Bill 2014
Customs Tariff Amendment (Tobacco) Bill 2014
Governor-General Amendment (Salary) Bill 2014
Primary Industries (Excise) Levies Amendment (Dairy Produce) Bill 2014
Tax and Superannuation Laws Amendment (2014 Measures No. 1) Bill 2014

I table statements of reasons justifying the need for these bills to be considered during these sittings and seek leave to have the statements incorporated in Hansard.

Leave granted.

The statements read as follows—

STATEMENT OF REASONS FOR INTRODUCTION AND PASSAGE IN THE 2014 AUTUMN SITTINGS

EXCISE TARIFF AMENDMENT (TOBACCO) BILL
CUSTOMS TARIFF AMENDMENT (TOBACCO) BILL

Purpose of the Bill

These bills amend the Excise Tariff Act 1921 and the Customs Tariff Act 1995 to validate changes to tobacco excise and excise equivalent customs duty, which were given effect to under tariff proposals. The changes:

• increase tobacco excise and excise equivalent customs duty through a series of four staged increases of 12.5 per cent each, the first of which took effect on 1 December 2013; and
• index tobacco excise and excise equivalent customs duty to average weekly ordinary time earnings (AWOTE) instead of the Consumer Price Index (CPI). The last CPI indexation occurred on 1 August 2013 and the first AWOTE indexation will occur on 1 March 2014.

Reasons for Urgency

Tariff proposals were introduced in the 2013 Spring sittings to give effect to these changes, the first of which took effect on 1 December 2013. Validating legislation must be passed within 12 months of the tariff proposals to ensure that any additional duty collected under the authority of the tariff proposals was validly collected.
STATEMENT OF REASONS FOR INTRODUCTION AND PASSAGE IN THE 2014 AUTUMN SITTINGS

GOVERNOR GENERAL AMENDMENT (SALARY) BILL

Purpose of the Bill
This bill sets the salary for the incoming Governor-General.

Reasons for Urgency
The Prime Minister has announced that General Peter Cosgrove AC MC will be sworn as Governor General on 28 March 2014.

The salary of the Governor-General is laid down in the Act and, by operation of section 3 of the Constitution, cannot be varied during the term in office.

In line with convention, the Governor-General’s salary has been calculated to exceed moderately the estimated average salary of the Chief Justice of the High Court of Australia over the notional term of the appointment.

To enable the salary to be set in time, the Governor-General Amendment (Salary) Bill must pass both Houses and receive Royal Assent before General Cosgrove assumes office on 28 March 2014.

STATEMENT OF REASONS FOR INTRODUCTION AND PASSAGE IN THE 2014 AUTUMN SITTINGS

PRIMARY INDUSTRIES (EXCISE) LEVIES AMENDMENT (DAIRY PRODUCE) BILL 2014

Purpose of the Bill
Changes to primary industries levies are brought into effect by government in response to a request from a relevant peak industry representative body. The Primary Industries (Excise) Levies Act 1999 provides maximum amounts or ‘caps’ for each specified levy.

The purpose of the bill is to increase the Australian Animal Health Council (AAHC) levy caps for milk fat and protein to provide a higher ceiling for the levy rates, to allow Australian Dairy Farmers to increase the levies in the future if required. The increase to the caps will not increase the current operative rate of the levies. Should Australian Dairy Farmers consider it necessary to increase the operative rates in future, it will be required to demonstrate widespread industry consultation and majority support—as outlined in the Australian Government’s Levy Principles and Guidelines.

Reasons for Urgency
In the case of the AAHC levy for the dairy industry the current operative levy rates for milk fat and protein are set at the maximum levels. These caps were last set in 1999. Without these cap increases, a risk exists that Australian Dairy Farmers, the peak industry representative body for the dairy industry, will not be able to provide increased funding to AAHC by subscription fees for animal health and welfare initiatives. AAHC subscription fees provide funding for core Animal Health Australia programs to benefit the dairy industry. This amendment was first requested by industry in early 2012 and has been delayed. Introduction and passage in autumn 2014 will ensure that legislative arrangements are in place to increase the levy rates if required.
STATEMENT OF REASONS FOR INTRODUCTION AND PASSAGE IN THE 2014 AUTUMN SITTINGS

TAX AND SUPERANNUATION LAWS AMENDMENT (2014 MEASURES NO. 1) BILL

Purpose of the Bill

This bill will:

- amend the Superannuation Industry (Supervision) Act 1993 to introduce penalties to deter the promotion of illegal early release schemes; amend the Superannuation Industry (Supervision) Act 1993 and the Taxation Administration Act 1953 to provide for administrative directions and penalties for contraventions of the superannuation law by self managed superannuation funds;
- amend the tax law to phase out the net medical expenses tax offset (NMETO) by 1 July 2019;
- and
- update the list of specifically listed deductible gift recipients.

Reasons for Urgency

The new penalties for the promotion of illegal early release schemes, criminalises conduct undertaken after Royal Assent of the bill. Urgent passage is necessary to prevent future inappropriate conduct which is detrimental to the retirement savings of Australia.

The administrative penalty regime will start on 1 July 2014 and the Commissioner of Taxation needs time to implement systems and provide information to industry.

As the NMETO measure commences from 1 July 2013, this measure needs to be enacted by 30 June 2014 or earlier to provide individuals with certainty about the transitional arrangements and their entitlement to NMETO for the 2013-14 income year.

Keeping the list of specifically listed deductible gift recipients up to date is necessary to provide certainty for affected organisations and their donors.

Presentation

Senator EDWARDS (South Australia) (16:57): I give notice that I intend, on the next day of sitting, to withdraw Business of the Senate notices of motion Nos. 1 and 2 standing in my name for two sitting days after today for the disallowance of the following instruments:

Veterans’ Entitlements (Actuarial Certificate—Life Expectancy Income Stream Guidelines) Determination 2013, made under subsection 5JB(1C), paragraph 5JB(1A)(b) and subsection 5JB(5) of the Veterans’ Entitlements Act 1986 [F2013L00671], and

Veterans' Entitlements (Actuarial Certificate—Lifetime Income Stream Guidelines) Determination 2013, made under subsection 5JA(1B), paragraph 5JA(1)(b) and subsection 5JA(6) of the Veterans' Entitlements Act 1986 [F2013L00670].

I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator EDWARDS: On 2 December 2013, the committee gave notice to disallow two instruments whilst it sought further information on the incorporation of extrinsic material in the two instruments. The committee has received a satisfactory response to its concerns from the Minister for Veterans' Affairs. The committee's concluding remarks are documented in Delegated Legislation Monitor No. 2 of 2014. Accordingly, the committee seeks to withdraw the notice of motion to disallow the two instruments.

Presentation

Senator Sterle to move:
(1) That the following matter be referred to the Rural and Regional Affairs and Transport References Committee for inquiry and report by 27 March 2014:

The Committee must consider what initiatives can be taken by Government to ensure Qantas remains a strong national carrier supporting aviation jobs in Australia, including:

(a) a debt guarantee;
(b) an equity stake; and
(c) other forms of support consistent with wider policy settings.

(2) That, in conducting the inquiry, the committee should consider:

(a) any national security, skills, marketing, tourism, emergency assistance or other benefits provided by a majority Australian-owned Qantas;
(b) the level and forms of government support received by other international airlines operating to and from Australia;
(c) the ownership structures of other international airlines operating to and from Australia;
(d) the potential impact on Australian jobs arising from the Government's plan to repeal Part 3 of the Qantas Sale Act 1992; and
(e) any related matter.

**Senators Rhiannon and Xenophon** to move:

(1) That the following matter be referred to the Rural and Regional Affairs and Transport References Committee for inquiry and report by 27 March 2014:

Supporting Qantas and Australian jobs, with particular reference to what initiatives should be taken by Government and the Parliament to ensure Qantas remains a strong national carrier supporting aviation jobs in Australia, including:

(a) a debt guarantee;
(b) an equity stake;
(c) other forms of support consistent with wider policy settings; and
(d) any conditions which should be attached to these.

(2) That, in considering the merits of the above, the committee should investigate:

(a) any national security, skills, marketing, tourism, emergency assistance or other benefits provided by an Australian-owned Qantas;
(b) the level and forms of government support received by other international airlines operating to and from Australia;
(c) the ownership structures of other international airlines operating to and from Australia;
(d) the potential impact on Australian jobs arising from the Government’s plan to repeal Part 3 of the Qantas Sale Act 1992; and
(e) the direct costs on Australian-domiciled air carriers, including airport charges and depreciation allowances, compared to foreign-based competitors; and
(f) any related matters;

**Senator Waters** to move:

That the Senate—

(a) notes:
(i) the serious concern shared by communities and experts across Australia about the significant risks coal and gas developments pose to our communities, public health, water resources and natural areas, and

(ii) that in the week beginning 2 March 2014, a delegation of 16 community representatives from the Lock the Gate network have travelled to Canberra from across the nation, seeking the support of their elected representatives to protect their communities, their water and their land; and

(b) calls on the Federal Government to urgently act on the concerns of the Lock the Gate network by:

(i) passing national laws to protect food-producing land from coal and gas mining and give landholders the power of veto over mining on their land,

(ii) protecting communities by establishing a national Environmental Protection Authority and a new Clean Air and Water Act; and

(iii) excluding from the Trans Pacific Partnership Agreement any clause or instrument that undermines the power of Australian governments to protect land, water and communities.

Senator McLucas to move:

That the Aboriginal Land Rights (Northern Territory) Amendment (Delegation) Regulation 2013, as contained in Select Legislative Instrument 2013 No. 272 and made under the Aboriginal Land Rights (Northern Territory) Act 1976, be disallowed [F2013L02122].

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

Senators Moore and Pratt to move:

That the Senate—

(a) notes that:

(i) today, 81 countries worldwide have legislation criminalising consensual same-sex activities between adults, with over half of these countries being members of the Commonwealth (43 of 53 Commonwealth nations), and furthermore, 17 of these countries (of which 14 are members of the Commonwealth) are our near neighbours in the Asia Pacific region,

(ii) even in cases where discriminatory laws criminalising consensual same-sex relations are no longer enforced, the decriminalisation of homosexuality is essential if lesbian, gay, bisexual, transgender and intersex (LGBTI) people are to live lives of dignity and equality,

(iii) even where homosexuality is not a crime, LGBTI people still face violence, eviction from their homes, dismissal from their jobs and estrangement from their families—the enactment of anti-discrimination legislation would help to combat this,

(iv) international human rights law requires states to respect the freedom and dignity of all people regardless of their sexual orientation, intersex status, gender identity and gender expression, and

(v) the Sex Discrimination Amendment (Sexual Orientation, Gender Identity and Intersex Status) Act 2013 (a bill introduced by Labor in 2013) contains measures to extend protection from discrimination on the grounds of sexual orientation, gender identity, and intersex status;

(b) recognises the efforts of activists and advocates internationally seeking to advance the human rights of LGBTI people, including the work of the Australian Kaleidoscope Human Rights Foundation in advancing the human rights of LGBTI people in the Asia Pacific region;

(c) calls on the Australian Government to take all available steps to:

(i) support the universal decriminalisation of homosexuality in accordance with the principles enshrined in the Universal Declaration of Human Rights,

(ii) support and defend the human rights of LGBTI people around the world, and
(iii) support a Commonwealth charter which defends LGBTI rights in accordance with international law in all Commonwealth countries; and

d) calls on the Attorney-General to refer to the Parliamentary Joint Committee on Human Rights a future inquiry on issues affecting the human rights of LGBTI people.

Senator Wright to move:

That the Senate—

(a) notes that:

(i) there is community concern about the Minister for Infrastructure and Regional Development’s decision to allow international passenger flights to land at Adelaide Airport at 5.10 am, from April 2014, and

(ii) the Adelaide Airport Curfew Act 2000 bans aircraft take-offs and landings between 11 pm and 6 am, except with the Minister’s permission, to protect the lifestyle of residents who live under the flight path; and

(b) affirms that:

(i) this use of executive power, to avoid a clear legislative protection for Adelaide’s residents, exposes these residents to aircraft noise and loss of amenity; and

(ii) where the Parliament establishes such a protection, the protection should not be removed without Parliament specifically considering the matter, and so the Minister’s power to approve flights outside of the Adelaide Airport curfew should be repealed.

Senator Siewert to move:

That the following bill be introduced: A Bill for an Act to amend the Social Security Act 1991, and for related purposes. Social Security Amendment (Caring for People on Newstart) Bill 2014.

Senator Xenophon to move:

That the following matter be referred to the Legal and Constitutional Affairs References Committee for inquiry and report by 15 May 2014:

The current investigative processes and powers of the Australian Federal Police in relation to non-criminal matters, with particular reference to:

(a) thresholds, including evidentiary thresholds, relating to the obtaining of production orders and search warrants, and in particular whether these reflect the rules applicable to civil litigation discovery rather than coercive search;

(b) procedures preparatory to seeking production orders and search warrants, including taking into account the conduct of the recipient of such orders;

(c) procedures for executing search warrants;

(d) safeguards relating to the curtailment of freedom of speech, particularly in relation to literary proceeds matters;

(e) safeguards for ensuring the protection of confidential information, including journalists’ sources, obtained under search warrants, and particularly where that information does not relate to the search warrant;

(f) the powers available to the Australian Federal Police to intercept telecommunications in circumstances where the matter being investigated does not involve criminal conduct;

(g) the priorities of the Serious and Organised Crime Division, and the circumstances under which they should appropriately be deployed in relation to non-criminal matters; and

(h) any related matters.
Senator Whish-Wilson to move:

That the following matter be referred to the Foreign Affairs, Defence and Trade References Committee for inquiry and report by 14 May 2014:

Australia’s activities and responsibilities in the Southern Ocean and Antarctic waters, including:

(a) Australia’s management and monitoring of the Southern Ocean in relation to illegal, unreported and unregulated fishing;

(b) cooperation with international partners on management and research under international treaties and agreements;

(c) appropriate resourcing in the Southern Ocean and Antarctic territory for research and governance; and

(d) any other related matters.

Senator Whish-Wilson to move:

That there be laid on the table by the Minister representing the Minister for Trade and Investment, no later than noon on 17 March 2014, the modelling and associated reports referred to by the Prime Minister and the Minister for Trade and Investment in a media release of 5 December 2013 titled ‘Australia concludes FTA negotiations with the Republic of Korea.’

Senator Xenophon to move:

That the following bill be introduced: A Bill for an Act to amend the Competition and Consumer Act 2010, and for related purposes. Competition and Consumer Amendment (Misuse of Market Power) Bill 2014.

Senators Madigan and Xenophon to move:

That the following bill be introduced: A Bill for an Act to amend the Flags Act 1953, and for related purposes. Flags Amendment Bill 2014.

Senator McEwen to move:

That there be laid on the table by the Minister representing the Minister for Education, no later than Wednesday, 12 March 2014, a copy of the Heads of Agreement on National Education Reform, and associated bilateral agreements, between the Commonwealth and New South Wales, Victoria, Tasmania, South Australia and the Australian Capital Territory, including all schedules and attachments, letters, implementation plans submitted, whether or not agreed by the Commonwealth, along with other documents that outline Commonwealth-state/territory funding commitments, agreements with or letters to any state or territory outlining future Commonwealth school funding and related requirements, including letters the Minister has sent to Queensland, Western Australia and the Northern Territory.

Senator Carr to move:

That the Senate—

(a) recognises:

(i) the vital contribution of the Australian shipbuilding industry as an employer, a storehouse of advanced manufacturing capabilities and a strategic asset, and

(ii) the urgent need for the Government to bring forward project work to ensure continuity of industry development, growth and employment;

(b) is gravely concerned by:

(i) the scheduled end of project work in three Australian shipyards in 2015,

(ii) the severe consequences of the resulting project trough, including:
(a) the retrenchment of more than 3,000 skilled workers,
(b) the crippling of the shipbuilding supply chain, and
(c) the forced closure of research projects and facilities supporting shipbuilding and advanced manufacturing,

(iii) the heavy costs of rebuilding lost capabilities and retraining workers to meet future defence needs, and

(iv) the threat to national security posed by the erosion of local capability; and

(c) calls on the Government to immediately:

(i) identify suitable project work to be fast-tracked and make a public commitment to those projects with a revised timeframe for tendering and delivery,

(ii) recognise that this cannot wait for the Defence White Paper process to be concluded, and

(iii) incorporate the long-term opportunities for the Australian shipbuilding industry as a strategic priority in all future naval procurement plans.

Senator Fifield to move:

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:

- Excise Tariff Amendment (Tobacco) Bill 2014
- Customs Tariff Amendment (Tobacco) Bill 2014
- Governor-General Amendment (Salary) Bill 2014
- Primary Industries (Excise) Levies Amendment (Dairy Produce) Bill 2014

COMMITTEES

Legal and Constitutional Affairs References Committee

Reference

Senator HANSON-YOUNG (South Australia) (16:58): I move:

That the following matter be referred to the Legal and Constitutional Affairs References Committee, with effect from 1 April 2014, for inquiry and report by 26 June 2014:

An inquiry into the incident at the Manus Island Detention Centre from 16 February to 18 February 2014, with particular reference to:

(a) the chronology of events;

(b) the sequence of events and factors that gave cause to the incident;

(c) the sequence of events that led to, and the cause of, Reza Berati’s death;

(d) contractor, subcontractor and service provider involvement and response;

(e) Department of Immigration and Border Protection involvement and response;

(f) Papua New Guinean police, military and civilian involvement and response;

(g) the Minister for Immigration and Border Protection’s conduct before, during and after the incident;

(h) protocols and procedures observed by agencies in the detention centre;

(i) any documents, including incident reports and emails as well as briefings involving staff, employees, contractors and subcontractors involved in or responding to the incident;
(j) any communications between the Minister for Immigration and Border Protection and the Government of Papua New Guinea, the Department of Immigration and Border Protection, contractors, sub contractors and service providers regarding the incident;
(k) the Australian Government's duty of care obligations and responsibilities;
(l) refugee status determination processing and resettlement arrangements in Papua New Guinea; and
(m) any other related matters.

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (16:59): Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator CASH: The government does not believe a further inquiry is necessary. We are confident that the existing inquiries, in partnership with the government of Papua New Guinea, will get to the bottom of these matters. The current inquiries are entirely consistent with similar events that occurred under the previous government.

Senator IAN MACDONALD (Queensland) (16:59): Mr Deputy President, I seek leave to make a 30-second statement.

The DEPUTY PRESIDENT: Leave is granted for 30 seconds.

Senator IAN MACDONALD: This is another reference to the Senate Legal and Constitutional Affairs Committee, of which I am a member. We have an enormous workload. Quite frankly, I do not know how the committee is going to find time to do this. I have to say, with the utmost respect to Senator Hanson-Young—and I know we are all busy—that she has got the committee to meet in Melbourne on a couple of occasions and then has not turned up. I know senators are busy, but we have all these references, and then the senators involved in them do not front. (Time expired)

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

Question agreed to.

MOTIONS

International Women's Day

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (17:00): I, and also on behalf of Senators Moore and Waters, move:

That the Senate—

(a) notes that 8 March is International Women’s Day (IWD) and that the theme for IWD 2014 is 'Equality for women is progress for all';
(b) acknowledges:

(i) the work that UN Women, the United Nations (UN) organisation dedicated to gender equality and the empowerment of women, undertakes to improve the conditions of women, both domestically and internationally,
(ii) that, despite the many rights and privileges Australian women enjoy, there remain challenges that we must strive to overcome, and
(iii) that, although women perform two-thirds of the world's work, they earn less than 10 per cent of the world's wages; and
(c) recognises:
(i) that in Australia, violence against women is still far too common, with Australian Bureau of Statistics data continuing to show that one in 3 women have experienced physical violence since the age of 15, and
(ii) that Australians have a fundamental obligation to speak out and protect the human rights of women, both in Australia and overseas.
Question agreed to.

BILLs

Trade and Foreign Investment (Protecting the Public Interest) Bill 2014

First Reading

Senator WHISH-WILSON (Tasmania) (17:01): I move:
That the following bill be introduced: A Bill for an Act to protect Australian laws by banning investor state dispute settlement provisions, and for related purposes.
Question agreed to.

Senator WHISH-WILSON: I present the bill and move:
That this bill may proceed without formalities and be now read a first time.
Question agreed to.
Bill read a first time.

Second Reading

Senator WHISH-WILSON (Tasmania) (17:02): I move:
That this bill be now read a second time.

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

Leave granted.

Senator WHISH-WILSON: I seek leave to have the second reading speech incorporated in Hansard.

Leave granted.

The speech read as follows—

TRADE AND FOREIGN INVESTMENT (PROTECTING THE PUBLIC INTEREST) BILL 2014

Trade is a crucial part of Australia’s economic development. It helps Australia grow, it opens markets overseas, and it allows us to export our world class goods and services across the world. It is also good for our trading partners; it allows them more access to our marketplace and our consumers.

Dismantling trade barriers promotes competition; domestic industries must compete with the best in the world. This forces them to adapt, innovate and focus on the most successful parts of their business.

However, for many, the dismantling of trade barriers can be a disruptive experience. Governments need to be aware of the impact trade agreements can have on ordinary people and their families. The Government’s role is to be there to help people make the necessary transition with financial and retraining support.
There are many positives in trade and trade agreements but it is incorrect to assert that those who find fault in free trade agreements are anti-trade. It is a simplistic and spurious line designed to dismiss the genuine concerns that individuals and organisations have.

One focus of great concern in current free trade agreements is the inclusion of Investor State Dispute Settlement provisions, commonly known as ISDS. ISDS clauses are designed to allow foreign corporations to sue governments if their business activities and interests are impinged on by the policy and legislative decisions of the government. The key concept which is enshrined in these clauses is the idea of 'indirect expropriation,' under which any law or policy of government that reduces the value of the investment is considered harmful.

Foreign investment is an important part of trade and in fact it has become a more central part of trade agreements than the traditional exchange of goods and services. The conflict between corporations and policy sovereignty is a very complex and sensitive area. Foreign investment is important for Australia and many other countries. Sovereign risk is an important consideration for companies who want to invest in foreign countries; risk is a part of doing business. The purpose of ISDS clauses is to push more of that risk onto governments and away from corporations.

The Australian Government is currently being sued under ISDS clauses as a result of the legislative decision the previous Government took to only allow cigarettes to be sold in plain packaging. This is occurring under the 1993 Agreement between the Government of Australia and the Government of Hong Kong for the Promotion and Protection of Investments.

This followed two High Court challenges to the plain packaging legislation which were dismissed. Ukraine, Honduras and the Dominican Republic are currently using World Trade Organisation rules to also challenge this piece of Government legislation which is aimed at protecting the health of Australians.

The highest court in Australia has dismissed the case and the World Trade Organisation’s mechanisms are being used to dispute it; there are clearly mechanisms in place to appeal decisions. The case for why an additional avenue of litigation needs to be established in this area has not been made.

There are ISDS clauses in a number of Australia’s agreements with other countries, including in the recently signed Korea Australia Free Trade Agreement (KAFTA), the Singapore FTA, the Chile FTA, the ASEAN FTA and the Thai FTA. It is believed that the Trans-Pacific partnership agreement which is currently under negotiation has ISDS clauses on the table as well.

In May 2013 the United Nations Conference on Trade and Development, in a paper entitled Recent developments in Investor State Dispute Settlement (ISDS), asserted that 244 cases under ISDS have been completed. Of the 244, approximately 42% were decided in favour of the State and approximately 31% in favour of the investor. This left 27% of the cases that were settled before an arbitration decision was made. These figures show that statistically states are hardly the overwhelming winners in these cases.

The Government has said on the record that the majority of cases have found against the companies. The figures I just quoted do not bear this out.

Even if it were true, that in the majority of cases signatory governments do win ISDS cases brought against them, there is still the cost that governments must bear to defend their cases. I have put questions on notice to the all the Departments currently involved in defending the ISDS case Australia is currently defending over cigarette plain packaging to ask about the costs. I look forward to their answers and to sharing them with the Parliament and the public.

In the plain packaging example, the Government has taken a straightforward public health measure that has survived two High Court challenges and still the Government must defend itself to corporations whose only interest, whose only reason for being, is to make profit.
The influence of ISDS goes beyond the direct impact of cases. In their 2010 report the Productivity Commission identified the phenomenon of ‘regulatory chilling.’ In other words ISDS provisions mean governments second guess themselves on whether a public policy initiative will cause an arbitration claim to be made against them by a foreign corporation. Government decision making not only has to take into account the country’s interest but also those of foreign companies. This is not something I believe governments should prioritise when they are formulating public policy.

The Government justifies ISDS by giving examples of countries where they believe the rule of law will be a problem for Australian companies who are investing. If this is the reason why are there ISDS clauses in the Korea-Australia FTA and the Singapore-Australia FTA, just to provide two examples?

In the FTA that was negotiated with the United States and was implemented in 2004, there was an acknowledgment, and I quote, from the Department of Foreign Affairs and Trade fact sheet released at the time and still available on the website:

“Reflecting the fact that both countries have robust, developed legal systems for resolving disputes between foreign investors and government, the Agreement does not include any provisions for investor-state dispute settlement.”

What exactly has changed? The robust, developed legal system we have in Australia certainly hasn’t been altered in any material way. This example demonstrates just how fast moving the trade space is. As Nobel Laureate Paul Krugman wrote in the New York Times on February 27:

“The first thing you need to know about trade deals in general is that they aren’t what they used to be. The glory days of trade negotiations … which sharply reduced tariffs around the world—are long behind us.”

Trade deals revolve around accommodating investment flows into and out of countries more than the dismantling of trade barriers. This is why ISDS provisions, which were seen as unnecessary in the early part of the 2000s, have become part of the standard template for free trade agreements.

The Government tells us there are carve outs for important areas of public policy such as health and the environment. This hasn’t stopped corporations trying their hand across the world through these types of clauses. When there are profits on the line, corporations will do their best—in fact they are set up to pursue profits and earnings—to try to find loopholes in these clauses. If they see some kind of advantage in litigating they will do it. What happens to a state or local government who is sued by a foreign corporation with vastly deeper pockets? Why is the Government opening Australia up to this?

This Government by its own admission is ‘open for business.’ It’s more than a slogan to this Government. The Prime Minister thinks saying it on the world stage miraculously leads to economic growth. What it really means is this Government is open to influence from business. Forget the public interest; special interests are what really matters to them.

Corporate interests in Australia are in favour of ISDS because it protects them from risk in investing in other countries. According to the United Nations ‘in 66% of new cases respondents are developing or transition economies and while the number of cases initiated by developing country investors has increased, the majority of new cases (64%) still originate from developed countries.’

The Productivity Commission in their November 2010 report Bilateral and Regional Trade Agreements made clear their thinking on ISDS. They outlined:

“In relation specifically to investor-state dispute settlement provisions, the government should seek to avoid accepting provisions in trade agreements that confer additional substantive or procedural rights on foreign investors over and above those already provided by the Australian legal system. Nor is it advisable in trade negotiations for Australia to expend bargaining coin to seek such rights over foreign governments, as a means of managing investment risks inherent in investing in foreign countries. Other options are available to investors”.

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CHAMBER
The Productivity Commission made a number of other recommendations about trade agreements and anyone interested in Australia’s approach to trade agreements should take the time to read the report.

The United Nations Conference on Trade and Development 2013 issues note, Recent Developments in Investor-State Dispute Settlement, has also indicated the problems inherent in the global system of ISDS. They sound a warning and I quote:

“the continuing trend of investors challenging generally applicable public policies, contradictory decisions issued by tribunals, an increasing number of dissenting opinions, concerns about arbitrators’ potential conflicts of interest all illustrate the problems inherent in the system”.

Transparency in trade agreements generally is an ongoing concern. Parliament is only able to review trade agreements once Cabinet has signed off on them. Even then Parliament is only entitled to a yes or no vote. There is no scope for amendments or exemptions. This means consultation is a crucial element of trade agreements.

The European Union is currently negotiating an FTA with the US. They recently decided to suspend negotiations for three months as a result of community concern about ISDS and run a comprehensive, transparent consultation process about ISDS.

The same level of community concern exists in Australia about ISDS and this concern is only rising. I would urge the Government to monitor this EU process closely and strongly consider doing something similar in Australia. I believe that most Australians would agree with the Productivity Commission and would be opposed to the powers extended to private corporations under ISDS.

This Bill seeks to ban ISDS provisions in new trade agreements. The Greens believe there shouldn’t be ISDS provisions in any agreements, but we recognise that the legislation we are presenting is not retrospective.

Sovereign governments should not be challenged simply for making laws to govern their country or making a decision to protect their environment or the health of their citizens. What happens to laws governing coal seam gas legislation or the ban on genetically manipulated organisms in my home state of Tasmania? Under ISDS there is great uncertainty. Uncertainty that is unnecessary.

The Australian people elect their governments and their parliaments to design and implement legislation. Their sovereignty should be respected. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

National Broadband Network Companies Amendment (Tasmania) Bill 2014

First Reading

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (17:02): I move:

That the following bill be introduced: A Bill for an Act to amend the National Broadband Network Companies Act 2011, and for related purposes.

Question agreed to.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (17:03): Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator FIFIELD: With the Tasmanian state election just 10 days away, this is clearly a stunt designed to distract attention from Tasmanian Labor's dismal handling of the economy. Senators opposite were deathly silent when the NBN fibre rollout ground to a halt under
Labor before the last election. The coalition has the rollout moving again in Tasmania, and under this government all Tasmanians can look forward to fast broadband sooner at less cost to taxpayers and more affordably for consumers.

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (17:03): I present the bill and move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (17:04): I move:

That this bill be now read a second time.

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

Leave granted.

Senator URQUHART: I seek leave to have the second reading speech incorporated in Hansard.

Leave granted.

The speech read as follows—

NATIONAL BROADBAND NETWORK COMPANIES AMENDMENT (TASMANIA) BILL 2014

This Bill would amend the National Broadband Network Companies Act 2011 to require NBN Co to only make fixed line connections to the NBN in Tasmania using fibre to the premises.

This was an election promise made to the people of Tasmania by the new Coalition Government, which it has advised it will not honour.

I am introducing the Bill as a Private Senator’s Bill to give Government Senators the opportunity to honour their clear commitment to the people of Tasmania and ensure that a minimum of 200,000 premises are connected to Fibre-to-the-Premises in Tasmania.

The Broken Promise

On 26 March 2012 NBN Co announced that it had awarded a contract to Visionstream for the construction of fibre to the home for 200,000 Tasmanian homes and businesses, saying:

NBN Co has locked in the construction contract that will see Tasmania become the first state in Australia where the National Broadband Network will be rolled out in its entirety.

Visionstream Australia, part of the Leighton Holdings Limited group of companies, has been awarded the contract to replace old-fashioned copper telephone lines with the high speed fibre optic broadband network in cities, towns and suburbs covering around 200,000 homes and businesses.

Following the release of the Coalition broadband policy in April 2013, TasICT Executive Officer Dean Winter wrote to then Shadow Minister Mr Turnbull seeking his assurance that the Tasmanian NBN rollout would occur as planned irrespective of the election outcome.

On 27 May Mr Winter issued a press release saying he was confident that the rollout would occur as planned because Mr Turnbull had written to assure him that the Coalition intended to honour existing contracts.

Mr Turnbull repeated his reassurance on ABC radio on 8 August 2013.
On 15 August 2013, the then Opposition Leader Mr Abbott released the “Economic Growth Plan for Tasmania”. This document stated that a Coalition Government would honour all NBN contracts that were underway. This was a significant new qualification.

This revised commitment would have seen only approximately 120,000 premises connected to the NBN using fibre to the premises, with approximately 85,000 premises missing out.

After much public outcry, Mr Turnbull pledged to honour all existing contracts signed by NBN Co to roll out Fibre-to-the-Premises in Tasmania as, and I quote, “the alternative would be to breach them and that is a course we would not countenance.” Mr Turnbull also confirmed that the Coalition would complete the full NBN rollout in Tasmania by 2015.

On the same day, Senator Bushby said Coalition policy had been based on costing a full fibre rollout in Tasmania. Senator Bushby outlined that while the Coalition had not seen the NBN Co contracts for Tasmania, it was prepared to complete the roll out across the state. “In opposition, we're not fully au fait with what those contracts are, but we understand that those contracts are in place to roll out right across the state, and if that is the case, we will honour that.”

The first hint that the Coalition would not honour their commitment came in October 2013 when, overnight, the rollout maps on the NBN Co website excluded large parts of Tasmania, along with other parts of Australia, from NBN Co’s rollout footprint.

The Coalition’s explanation was that it had directed NBN Co to reflect the Coalition’s definition of construction – the second stage when a build instruction was issued to a delivery partner.

In describing the change in maps, Coalition MPs and Senators argued that construction hadn’t really commenced when field staff were actually in the streets opening pits and determining how much preparation was needed to install fibre. As part of this process ropes are even drawn through ducts for subsequent hauling of fibre.

When shown pictures of field crews involved in this stage of activity at the Senate Select Committee on the NBN, the NBN Co Executive Chair Dr Switkowski said those activities that he saw looked like construction.

In its Review of the Rollout of the National Broadband Network 5th Report, the Joint Committee on the National Broadband Network, whose membership included the current Minister for Communications, Mr Malcolm Turnbull and Parliamentary Secretary Paul Fletcher, defined “construction commenced or completed” as:

“Construction Commenced or Completed represents Fibre Serving Area Modules (FSAMs) where contract instructions have been issued together with the initial Network Design Document so that construction partners can commence work on the detailed design, field inspections and rodding/roping activities in a FSAM. This is followed by the release of a rollout map for the FSAM on the NBN Co web site showing the coverage area for that FSAM and the estimated number of premises to be passed/covered. Construction Commenced or Completed includes Premises Passed.”

But in the new world of this Coalition Government, construction hadn’t commenced—or in the language of the Economic Growth Policy contract—was not “underway”. More than 50,000 premises were wiped from the NBN Co maps in over 20 FSAMs.

Suddenly the numbers in Tasmania had changed again—only 70,000 premises were guaranteed fibre to the premises and 135,000 would miss out.

In February 2014, the NBN Co Executive Chairman announced on ABC radio that the NBN Co contracts in Tasmania have been renegotiated and many Tasmanian premises would be connected to the NBN by a Multi-Technology Mix, comprising fibre to the node and copper to the premise.
Tasmanian Liberal Leader Will Hodgman heard the anger of Tasmanians about the Coalition’s deception over NBN. He was recorded by ABC telling a State Liberal colleague that the Federal Government’s NBN policy could cost him the election.

After pressure from the Tasmanian Labor Government, Mr Hodgman used a pre-existing trip to Sydney to lobby Mr Turnbull to trial fibre to the premise using aerial wiring on Aurora Energy poles. The Tasmanian Labor Government had already submitted a proposal to NBN Co, which would provide free access to Aurora’s power pole infrastructure. The Labor commitment is currently estimated to cost the State Government about $25 million over twenty years depending on the extent of aerial deployment. Mr Hodgman has made no such commitment on funding for use of Aurora Energy poles.

After the visit, Minister Turnbull remarked that Mr Hodgman had drunk “the kool-aid” on fibre-to-the-premises but then agreed to initiate a trial of aerial fibre to the premises to start “very soon”.

The Tasmanian Branch of the Communications, Energy and Plumbing Union lauded the Liberal trial as unnecessary and a political stunt. The Union said that approximately 17,500 homes across Tasmania are already connected to the NBN using electricity poles.

Last week in Senate Estimates, Dr Switkowski would not commit to any start of an aerial roll-out trial.

A week on from Dr Switkowski’s appearance at Estimates there are still no dates or locations confirmed for the trial, proving that it is a throw away announcement to get past the 15 March Tasmanian election.

A promise to trial an aerial deployment is merely an attempt to deflect the criticism. Tasmanians know what the Liberals promised, and it wasn’t conditional upon an aerial rollout trial.

They were promised that the contract announced by NBN Co in March 2012 to deploy fibre to the premises to over 200,000 premises in Tasmania would be honoured.

Support for this Bill will ensure the Government has to honour that promise.

The Bill

This is a short Bill that adds a new Subdivision AA to Division 2 of Part 2 of the National Broadband Network Companies Act 2011 that deals with the rules about operations of NBN corporations.

Schedule 1 would insert a new Subdivision AA—Tasmania before Subdivision A of Division 2 of Part 2 of the National Broadband Network Companies Act 2011.

The Subdivision would require that NBN Co only provide fixed connection in Tasmania by use of fibre to the premises, and the capability to connect no less than 200,000 premises with fixed connection.

Item 1 would insert a new Subdivision AA before Subdivision A of Division 2 of Part 2.

Subsection 8(1) requires that no fewer than 200,000 premises in Tasmania are connected by fibre to the premises, and that no premise is connected with a fixed line (wire, cable or optical fibre) other than fibre to the premises. 200,000 is the number of premises specified by NBN Co in its media release of 26 March 2012.

Subsection 8(2) is for avoidance of doubt and ensures that a technology that isn’t all fibre does not meet the definition in subsection (1).

Item 2 clarifies that the new provisions do not retrospectively apply to any existing connection. At the time of drafting there were no connections in Tasmania other than by fibre to the premises.

Cost

The Senate has been advised that NBN Co is still operating under the Corporate Plan 2012-15.

Funding for the NBN Co as provided for in the Budget Papers is based on this plan and provides for Fibre to the Premises to 93% of Australian premises.
As such there are no additional financial implications of this measure.

**Conclusion**

I urge all Senators to support this Bill to ensure that all Tasmanians that were promised a fibre to the premises NBN connection before the election will receive that connection and not the substandard Multi-Technology Mix, comprising fibre to the node and copper to the premise.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

**MOTIONS**

**Gender Equality**

**Senator** **WATERS** (Queensland) (17:04): I seek leave to amend general business notice of motion No. 155 standing in my name.

Leave granted.

**Senator** **WATERS**: I amend the motion in the terms circulated in the chamber and move the motion as amended:

That the Senate—

(a) notes:

(i) that at the UN Women’s International Women’s Day parliamentary breakfast on 4 March 2014 the Prime Minister (Mr Abbott) stated:

(A) Australian women have a ‘pretty good deal’,

(B) the more we can ensure that women are economic, as well as social and cultural contributors, the better for everyone, and

(C) this nation has smashed just about every glass ceiling, but we need to do more - we need to do more,

(ii) that there is still a 17 per cent gap in pay between Australian men and women,

(iii) the Workplace Gender Equality Agency is now collecting and analysing data from eligible businesses which will enable employers to develop better gender equality strategies,

(iv) the important work done by the Workplace Gender Equality Agency, including the collection of critical gender workplace reporting data needed to address the gender pay gap in Australia, and

(v) that continued collections of such data will provide evidence of improvements over time; and

(b) recognises and congratulates the Workplace Gender Equality Agency on its work since inception of the reporting data on gender equality indicators.

**Senator** **FIFIELD** (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (17:05): Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted.

**Senator** **FIFIELD**: The coalition is proud of its achievements for the advancement of gender equality. It was, after all, the former Howard government that passed laws in 1999 to create reporting requirements and establish the Equal Opportunity for Women in the Workplace Agency. When Mr Abbott was workplace relations minister the gender pay gap in Australia was at 15.3 per cent. But now, after six years of Labor, it is at 17.1 per cent. The government is also proposing a fair dinkum Paid Parental Leave scheme, holding a childcare
review by the Productivity Commission and fleshing out individual flexibility agreements to allow for working women to better balance their work and family needs.

As a government, we do hold concerns about the minimum reporting standards that Labor created, which will take effect on 1 April. We know, for instance, that the compliance costs of the new standards will cost employers a further $9 million a year, regardless of whether they are good gender equality employers or not. We want to see genuine and meaningful change, not burdensome red tape that does not actually change behaviour.

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

Question agreed to.

COMMITTEES

Rural and Regional Affairs and Transport References Committee

Reference

Senator RHIANNON (New South Wales) (17:06): I seek leave to amend notice of motion No. 4, in the terms circulated in the chamber, standing in my and Senator Xenophon's name proposing a reference to the Rural and Regional Affairs and Transport References Committee relating to government support for Qantas.

Leave granted.

Senator RHIANNON: I move the motion as amended:

(1) That the following matter be referred to the Rural and Regional Affairs and Transport References Committee for inquiry and report by 27 March 2014:

Supporting Qantas and Australian jobs, with particular reference to what initiatives should be taken by the Government and the Parliament to ensure Qantas remains a strong national carrier supporting aviation jobs in Australia, including:

(a) a debt guarantee;
(b) an equity stake;
(c) other forms of support consistent with wider policy settings; and
(d) any conditions which should be attached to these.

(2) That, in considering the merits of the above, the committee should investigate:

(a) any national security, skills, marketing, tourism, emergency assistance or other benefits provided by an Australian-owned Qantas;
(b) the level and forms of government support received by other international airlines operating to and from Australia;
(c) the ownership structures of other international airlines operating to and from Australia;
(d) the potential impact on Australian jobs arising from the Government’s plan to repeal Part 3 of the Qantas Sale Act 1992;
(e) the direct costs on Australian-domiciled air carriers, including airport charges and depreciation allowances, compared to foreign-based competitors; and
(f) any related matters.

Senator MOORE (Queensland) (17:07): Mr Deputy President, I seek leave to make a short statement.
The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator MOORE: Labor strongly supports an Australian owned Qantas. Labor is talking to Senators Rhiannon and Xenophon on terms of reference on the matter of the future of Qantas and Australian jobs and we hope to agree a reference shortly.

Senator RHIANNON (New South Wales) (17:08): Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator RHIANNON: The Greens did propose this inquiry last weekend and we have been working with Senator Xenophon and Labor to negotiate on the terms of reference. There has been an absolute willingness to ensure that we are able to bring forward an inquiry that would look at ways to protect Qantas and to give that support in terms of retaining it as a national carrier and retaining jobs in Australia. It has been disappointing that Labor has been unwilling to call senior Qantas managers, including Mr Joyce—but, again, the Greens have said that it is very important to get up this inquiry even if it is limited in the way that Labor has indicated. We will continue to endeavour to get this inquiry in place tomorrow. It is critical that this inquiry goes ahead because this is where the work of the Senate can come forward in terms of learning the lessons from the current mismanagement and chart a way forward for a healthy national carrier.

Senator IAN MACDONALD (Queensland) (17:09): Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator IAN MACDONALD: I raise the same matter I have raised before: as a member of this committee I know that the committee is fully engaged currently on inquiries into chemicals, into beef levies, into beehives and into a number of other issues of great importance to Australia—and committee members simply do not have the time to address this as well. I know what the outcome of this inquiry will be, because Labor and the Greens have already announced their positions in relation to Qantas. So we are going to go through the whole process of having an inquiry to come up with what Labor and the Greens have already announced is their view of Qantas. It seems to me to be just another waste of the very valuable time of the Senate and senators.

Senator XENOPHON (South Australia) (17:10): Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator XENOPHON: I indicate that, notwithstanding what Senator Macdonald has said, I have faith not only in the secretariat and in the committee but also in the members of the Rural and Regional Affairs and Transport References Committee to look at these issues. It is important to ensure that the future of Qantas is examined very closely. This is an opportunity to do so—

Senator Ian Macdonald: So the Greens are going to give you some idea of how to run a business?

The DEPUTY PRESIDENT: Order!
Senator XENOPHON: I think it is fair to say, to respond to Senator Macdonald, that because there is a Qantas Sale Act and Qantas has sought a debt guarantee from taxpayers, these are legitimate matters that ought to be looked at in a Senate inquiry. That is why I think it is important that we deal with this: because of the critical juncture that Qantas is at.

Question negatived.

Environment and Communications References Committee
Reference
Senator WATERS (Queensland) (17:11): I move:

(1) That the following matter be referred to the Environment and Communications References Committee for inquiry and report by 16 June 2014:

The history, appropriateness and effectiveness of the use of environmental offsets in federal environmental approvals in Australia, including:

(a) the principles that underpin the use of offsets;
(b) the processes used to develop and assess proposed offsets;
(c) the adequacy of monitoring and evaluation of approved offsets arrangements to determine whether promised environmental outcomes are achieved over the short and long term; and
(d) any other related matters.

(2) That in conducting the inquiry the committee consider the terms of reference in (1) with specific regard to, but not restricted to, the following projects:

(a) Whitehaven Coal's Maules Creek Project;
(b) Waratah Coal's Galilee Coal Project;
(c) QGC's Queensland Curtis LNG project;
(d) North Queensland Bulk Port's Abbot Point Coal Terminal Capital Dredging Project; and
(e) Jandakot Airport developments.

Question agreed to.

Foreign Affairs, Defence and Trade References Committee
Reference
Senator HANSON-YOUNG (South Australia) (17:12): I move:

That the following matter be referred to the Foreign Affairs, Defence and Trade References Committee, with effect from 20 March 2014, for inquiry and report by midday 27 March 2014:

An inquiry into the breach of Indonesian territorial waters between 1 December 2013 and 20 January 2014 by Royal Australian Navy and/or Customs vessels in connection with Operation Sovereign Borders (the incidents), and in doing so, the committee must consider:

(a) the sequence of events that led to the incidents, including detailed accounts of each incident;
(b) the operational protocols and procedures observed by the Royal Australian Navy, Customs and Border Protection and by other relevant Commonwealth agencies during the incidents;
(c) the extent to which the incidents complied with international law;
(d) the steps being taken to prevent similar incidents from taking place in the future;
(e) the communications between Operation Sovereign Borders agencies, including the Department of Immigration and Border Protection, the Joint Agency Taskforce, the Department of Defence and Customs and Border Protection, regarding the incidents;
(f) the communications between the Minister for Immigration and Border Protection, the Minister for Defence, the Senior Command of the Australian Defence Force, the Department of Immigration and Border Protection, the Department of Defence, Customs and Border Protection and Operation Sovereign Borders agencies, including the Joint Agency Taskforce, regarding the incidents;

(g) the operational procedures observed by the Royal Australian Navy and other Commonwealth agencies involved in Operation Sovereign Borders to ensure the safety of its personnel and asylum seekers during the incidents;

(h) the briefings given to Australian Navy and Customs and Border Protection personnel (both on-water and off-water) about maritime borders and laws of the sea during on water operations; and

(i) any other matters relating to Operation Sovereign Borders.

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (17:12): Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator CASH: The government will not be supporting this motion. The Australian Customs and Border Protection Service and the Australian Defence Force have completed a joint review into the actions of the ADF and Customs in relation to Australian vessels that entered Indonesian waters. The review identified that there was a clear government intention to achieve the aims of the operation with a focus on safety and effectiveness without compromising Indonesian sovereignty. The breaches were inadvertent and the review found that there was nothing in the strategic guidance provided for the operation that required, implied or suggested that a breach of Indonesian sovereignty would be acceptable. The Australian government has formally apologised to the Indonesian government. Australian Customs CEO and Chief of the Defence Force have accepted the joint review's findings and recommendations and have directed the implementation of the recommendations. The motion is, once again, nothing more and nothing less than a Greens political stunt.

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

The Senate divided. [17:18]

(The President—Senator Hogg)

Ayes .....................37
Noes .....................30
Majority ..............7

AYES

Bilyk, CL
Brown, CL
Carr, KJ
Di Natale, R
Faulkner, J
Gallacher, AM
Hogg, JJ
Ludwig, JW
Marshall, GM
McLucas, J
Moore, CM
Peris, N

Bishop, TM
Cameron, DN
Dastyari, s
Farrell, D
Furner, ML
Hanson-Young, SC
Lines, S
Lundy, KA
McEwen, A (teller)
Milne, C
O'Neill, DM
Polley, H
SENATE
Wednesday, 5 March 2014

AYES
Pratt, LC
Siewert, R
Stephens, U
Thorpe, LE
Urgahart, AE
Whish-Wilson, PS
Xenophon, N
Rhiannon, L
Singh, LM
Sterle, G
Tillem, M
Waters, LJ
Wright, PL

NOES
Abetz, E
Back, CJ
Bernardi, C
Birmingham, SJ
Boswell, RLD
Boyce, SK
Bushby, DC
Cash, MC
Cormann, M
Edwards, S
Eggleston, A
Fawcett, DJ
Fierravanti-Wells, C
Fifield, MP
Heffernan, W
Kroger, H (teller)
Macdonald, ID
Nash, F
Macdonald, ID
Parry, S
Payne, MA
Ruston, A
Ryan, SM
Scullion, NG
Seselja, Z
Sinodinos, A
Smith, D
Williams, JR

PAIRS
Collins, JMA
Colbeck, R
Ludlam, S
Mason, B

Question agreed to.

NOTICES
Withdrawal
Senator XENOPHON (South Australia) (17:20): I ask that business of the Senate notice of motion No. 5 standing in my name for today, proposing a reference to the Rural and Regional Affairs and Transport References Committee, be withdrawn.

Fair Work Australia
Senator MARSHALL (Victoria) (17:21): I seek leave to make a short statement.
Leave granted.
Senator MARSHALL: Yesterday, in a discussion by leave regarding general business notice of motion 142, I stated that Senator Fierravanti-Wells had made copies of certain documents. Senator Fierravanti-Wells has asked me to clarify on the record that I was not referring to the photocopying of documents. As a courtesy to the senator, I am happy to confirm that I did not say 'photocopying of documents'; nor did I mean that.
MATTERS OF URGENCY

Broadband

The DEPUTY PRESIDENT (17:22): I inform the Senate that the President has received the following letter from Senator Moore:

Dear Mr President

Pursuant to standing order 75, I give notice that today I propose to move "That, in the opinion of the Senate, the following is a matter of urgency:

The need for the Government to honour its election commitment to rollout fibre-to-the-premises broadband to no less than 200,000 premises in Tasmania."

Is the proposal supported?

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

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

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (17:22): I move:

That, in the opinion of the Senate, the following is a matter of urgency:

"The need for the Government to honour its election commitment to rollout fibre-to-the-premises broadband to no less than 200,000 premises in Tasmania."

Those opposite come in here and talk about mandates. They yell and scream and huff and puff about their mandate to do this and their mandate to do that; yet, on one clear infrastructure project that they do have a mandate on, they perform an almighty backflip and get completely tangled in the wires. There was a clear commitment to rollout fibre-to-the-premises broadband to no fewer than 200,000 premises in Tasmania. The people of Tasmania have been deceived once by the Liberal Party. They deserve to know the Liberal Party's true intentions today.

The challenge for those on the other side, if they are able to keep their election commitment, will be not only to speak to the urgency motion and to quietly allow this motion to pass later this afternoon but to outline their party's path to ensuring the fibre-to-the-premises rollout is completed in Tasmania. It is simply not good enough to say that the aerial rollout trial has been announced, because such a trial was announced almost three weeks ago by the minister. It is a trial that Dr Switkowski seemed totally disinterested in at Senate estimates last week, a trial without locations, a trial without a start date and a trial without a purpose, because the work has already been done.

Tasmania has been on the path to fibre to the home since the state Labor government first completed an aerial fibre-to-the-home trial in 2008. The trial of over 1,200 premises was found by an independent review to be successful, and the learnings were incorporated into the federal government's National Broadband Network. Most of stage 1 of the NBN rollout in Tasmania incorporated an aerial fibre-to-the-premises rollout. Stage 2 of the rollout, currently underway, utilises above-ground infrastructure. With many thousands of Tasmanians...
connected to the NBN with above-ground fibre, it is no wonder that NBN Co has not released any details about a trial.

They know, like we all do, that the time for trials is over. Now it is time to complete the fibre-to-the-premises rollout that was contracted for by NBN Co in March 2012—the rollout that the Liberals opposed, then supported, then opposed and then supported before the election, have since supported and then opposed and now say they will support again but only if a further trial meets undisclosed hurdles.

The Liberals in opposition relied on precise technicalities of their commitment to appear bipartisan on this issue. There was never unqualified support for the fibre-to-the-premises rollout. They understood how much Tasmanians wanted this rollout, how Tasmanians saw high-speed broadband as a way of connecting their island to the world and how Tasmanian businesses are delivering their products to customers quicker with the NBN and enabling them to compete in the global market and live in the most beautiful place on earth.

Let me just take the Senate through the great entanglement the Liberal Party has got itself into on this issue. As we know, the contracts were signed by NBN Co and Visionstream in March 2012. The media release from NBN Co at the time remarked that the construction contract would see Tasmania be the first state in Australia with the NBN. The whole entanglement stems from Mr Turnbull's desire to only ever commit to anything based on existing contracts. The coalition released its broadband policy around a year ago, amongst much fanfare and complete with holograms. Crucially, this policy failed to mention the special case of the fibre-to-the-premises NBN rollout in Tasmania. There was no mention of Tasmania in the whole document. Two months later Mr Turnbull sought to clarify the concerns of Tasmanians with the now infamous line 'that the coalition intended to honour existing contracts'.

At the start of the election campaign Mr Turnbull repeated his assurance on ABC radio. However, when Mr Abbott launched the coalition's economic growth plan for Tasmania, the commitment had been watered down to honouring only contracts that were underway. In response to concerns raised by Labor, Mr Turnbull again told Tasmanians on 16 August that he would honour all contracts. It was clear that Mr Turnbull's intention was for Tasmanians to believe that this meant full fibre to the premises. Of course, buried inside the coalition policy document of March last year is their out-clause:
The Coalition reserves the right to review and seek to vary any of those contracts in light of the Coalition's broadband policy …

If genuine about their commitment to the fibre-to-the-premises rollout in Tasmania, Mr Turnbull or one of his federal Tasmanian colleagues would have corrected the reports of August 2013 that did not mention this crucial fact. If genuine, they would have included this line in media releases, in promotional material and in letters to the editor. But the spin was working too well. At least twice that week Senator Bushby backed up his shadow minister with public comments. The first was:

In opposition, we're not fully au fait with what those contracts are, but we understand that those contracts are in place to roll out right across the state, and if that is the case, we will honour that.

Five days later Senator Bushby again sought to make sure Tasmanians believed that there was a unity ticket. He said:
Malcolm Turnbull has made a crystal clear commitment that the Coalition will honour all contracts in place for the rollout of the NBN in Tasmania. If contracts are in place for the full fibre rollout, there will be no difference in who gets fibre to their home in Tasmania under Labor or Liberal.

The Tasmanian IT industry group released a statement welcoming Mr Turnbull's announcement of the commitment to complete the fibre-to-the-home rollout in Tasmania. Of course Mr Turnbull and Senator Bushby did nothing to correct the record. In trade practices law this is known as misleading and deceptive conduct by inaction.

Of course, Mr Turnbull, Senator Bushby and the Liberal Party were quite happy with the misinformation they had created. In fact, it continued right through until February this year. In October there was the 'what is construction' debacle when new Tasmanian Liberal MP Brett Whiteley sought to justify the sudden change in the rollout maps by dismissing the work of planners, engineers and estimators, despite Mr Turnbull participating on the Joint Committee on the National Broadband Network, which included vital design stages and consultation work on the definition of 'construction'. In December Dr Switkowski confirmed to Senator Thorp at a Senate committee hearing that NBN Co is still releasing work for all fibre rollouts. He said:

The release of work happens in smaller quantities, and the next significant quantity, which is an all-fibre rollout, is being currently negotiated.

This is a matter of urgency because Tasmanians need to hear about where the Liberals went so wrong. Liberal senators need to justify their election commitment that there would be no difference under Labor or Liberal, because there never was a unity ticket. NBN Co. boss Ziggy Switkowski confirmed the great fears of many Tasmanians last month. On ABC radio in Tasmania, Dr Switkowski confirmed that the contracts had been renegotiated and that many thousands of Tasmanians would actually get the multi-technology mix—a fancy way of saying substandard copper.

Tasmanian Premier Lara Giddings was straight onto Mr Turnbull and Dr Switkowski to offer an alternative. Tasmanian Labor offered NBN Co. the use of Aurora Energy power poles for distribution of fibre to the premises across the state. Tasmanian Labor's plan would see a faster rollout of fibre to the home. The plan would see the rollout completed at one-sixth of the cost of building underground. The plan presents a way for the federal Liberal government to meet its commitment to the Tasmanian people.

So great was this Labor initiative that Tasmanian Liberal leader Will Hodgman used a pre-existing trip to Sydney to meet with Mr Turnbull to seek federal support for the aerial rollout. In his press conference after the meeting, Mr Turnbull said that Mr Hodgman had 'definitely drunk the fibre-to-the-premises Kool Aid.' Instead of accepting this good proposal, Mr Turnbull would only commit to a trial. It is a trial that we all know is unnecessary; a trial that Dr Switkowski could not confirm any details about; a trial that many Tasmanians view as a nice smokescreen to get Mr Hodgman through the state election next week; a trial that will no doubt face extraordinarily—even impossibly—high hurdles; a trial that will no doubt be designed to fail; a trial that is just another Liberal con, because anyone who recognises the benefits of fibre to the premises has drunk the Kool Aid, in the words of Minister Turnbull.

This urgency motion aims to ensure that Mr Turnbull keeps just one promise. That promise is to build fibre to the premises in Tasmania as originally planned by Labor. Liberal senators must outline their path to delivering fibre to the premises. \textit{(Time expired)}
Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (17:32): I know that a Tasmanian state election is only about 10 days away, but it is still no excuse or justification for Senator Urquhart to misrepresent what Senator Bushby said before the election in relation to the NBN in Tasmania. I will leave it to Senator Bushby to do a forensic dissection of Senator Urquhart's misrepresentation. I very much look forward to listening to Senator Bushby when he has the opportunity to set the record straight as a result of the misrepresentations by those opposite.

I will start at more of a macro level, to put the NBN as a national venture into a bit of context. When it comes to the NBN nationwide, it would be fair to say that never before has so much been spent on so few for so little. Minister Turnbull has likened the scope and scale of Labor's mismanagement of the NBN to that of the state bank debacles in Victoria and South Australia. I think that, when it has been tallied, in the fullness of time, the cost of the NBN and Labor's mismanagement of it will be shown to have been greater than those financial disasters. It is very difficult to underestimate just how badly it was mismanaged and what the cost to the Australian people will be. I stand in great admiration of Minister Turnbull and his efforts to bring the NBN back onto a sustainable footing and to put the NBN in a position where it will be able to start seriously rolling out a National Broadband Network to the Australian people.

The great lie that has been perpetrated by those opposite is that Labor is for the National Broadband Network and the coalition is against the National Broadband Network. That has never been true. We are for a National Broadband Network. Everyone in Australia is for a National Broadband Network. The question is: how do you deliver a National Broadband Network quickly, at lowest cost to the taxpayer and in a way that delivers for consumers a product that is within their reach? That is all this debate in relation to the National Broadband Network has ever been about. We are for the National Broadband Network.

It is important to note that Labor's plan would have cost $29 billion more than they had let on before the election and would have increased monthly internet bills by up to 80 per cent, or $43, a month. It is very important that I make the point that everyone in Tasmania will still receive the National Broadband Network. The job of those of us in the government is to do that sooner than would have happened under the Australian Labor Party and to do it at a lower cost to the taxpayer than would have been the case under the Australian Labor Party. We are going to incorporate into the NBN technologies that can be readily upgraded and that are already delivering high-speed broadband to families in other countries. We will be able to do just that. We are on course to deliver more NBN connections to Tasmanian homes and businesses this calendar year than over the entire five years since the rollout began.

Premier Giddings in Tasmania is attempting to distract attention. You can understand that. They have been in government for 16 years. They have been in an alliance with the Greens—something those opposite know very well. You cannot be critical of Premier Giddings for wanting to distract from the fact that they have been there for 16 years or for wanting to distract from the fact that they had been in an alliance with the Greens before they performed one of those quickie faux-divorces that those opposite have done with the federal Greens. However, we know that the Greens and Labor are secretly still cohabiting. They are trying to pretend that they have gone their separate ways and that they do not know each other, but
when it comes to the political night they are together under the same roof, where they feel most at home.

From the middle of July 2013, just before the last election, virtually no houses in the state were passed with optical fibre. There were reasons for this—there will always be reasons for everything. There were delays due to asbestos and there were ongoing issues with the contractor Visionstream. It is a matter of public record that Visionstream asked for more money in Tasmania. They were the ones who said they could not complete the job under the terms of the contract that they had already signed. As a result, NBN Co signed an amending agreement for 16 fibre serving area modules to get the rollout back on track in December. There were good reasons for doing this. The objective was to get that provider and that rollout back on track. I am very happy to report that by the end of year about a third of the premises in the state will be passed by fibre. We are on course to deliver more NBN connections to Tasmanian homes and businesses this calendar year than over the entire five years since the rollout began.

The clearest sign that the coalition will honour the contract already signed, contrary to everything those opposite say, is that after many months of delay and inaction under the previous government NBN Co have agreed with Visionstream to remobilise their workforce before Christmas. We are honouring the contracts, but contracts do require both sides to perform. It would only be an irresponsible government—we all know what an irresponsible government looks like—that would agree to honour contracts at any cost. We need to be clear that the coalition never promised to deliver fibre to the premises at any cost, as that would be reckless and irresponsible. We are getting on with the job of putting the rollout back on track. We are ensuring that there are workers out in the field undertaking this important endeavour. I am sure that Senator Bushby will further touch on issues like the overhead wiring proposals and the work with Aurora on that proposed trial.

Coming back to where I started, we always have to remember that these are taxpayer dollars. Government has no source of funds other than taxpayers. Government always has to make sure that every dollar it expends—that it has received from the taxpayers and that it expends on behalf of the taxpayers—goes to the most productive and beneficial use possible. The previous government were not doing that. There is an opportunity cost for every single dollar that government spends—it is a dollar that cannot be spent on something else. It cannot be spent on schools, cannot be spent on hospitals and cannot be spent on roads. So you have to make sure that you make every dollar count. Not only were the previous government wasting dollars; they were borrowing massively which means that we now have a massive interest bill. The opportunity cost of the money spent on servicing the interest bill is even greater, because those are dollars which are going towards precisely nothing other than repaying debt.

On this side of the chamber, we make absolutely no apology for wanting to make sure that the taxpayer exposure to the NBN is lessened. We want to make sure that the NBN is rolled out quicker—it would not be hard to roll out an NBN quicker than the guys on the other side did—and we want to make sure that the final product is affordable for consumers. To the people of Tasmania and the people of Australia more generally: you will get the NBN sooner under this government, you will get it at lower taxpayer cost, you will get it cheaper than
would have previously been the case, and you will receive the quality and level of service that you need.

Senator WHISH-WILSON (Tasmania) (17:42): I am very pleased to be able to talk about this matter of urgency tonight in the short 10 minutes that I have. I certainly support the full rollout of NBN—not just fibre to the node but fibre to the home. I would like to pay tribute to Senator Ludlam, who I am sure would also like to be here tonight speaking on this topic, because he has done an incredible amount of work with Labor over the years by participating in committees and pushing this policy agenda.

Technology moves on exponentially. I reviewed a plan that the Greens had put in 20 years ago for building a tech industry in Tasmania. Back then, a printer cost nearly $4,000. They talked about businesses sending faxes to each other to share information. In that period, we have gone from some people having really basic PCs to suddenly everyone carrying an iPhone. When I look at my house, what used to be just one internet connection on the PC is now six and counting—four handheld devices, one gaming console and an Apple. Most average households have a lot more than that. They have up to 10 devices that rely on wireless and rely on broadband. It makes a lot of sense that if you are going to put in nation-building infrastructure with a capacity to provide broadband for homes and businesses—this is not just about consumers; it is also about business—do it all up front and do it well. What is the point of going through this half-cocked by putting through fibre to the node and then copper to the home, when in 10 years' time demand is going to have at least quadrupled, if not more, for broadband bandwidth and we will have to do it then?

Senator Cameron: Like New Zealand did.

Senator WHISH-WILSON: Yes, exactly. Why not do it properly now? Senator Fifield talked about taxpayers' funds. He would understand that this type of infrastructure is securitised against future cash flows and rents that you are going to get from the broadband network. If I am a consumer or a business, I am going to have to pay to access the network when it is rolled out. If my gumption is right about how quickly technology is moving—and let us not forget that it is very likely that wireless will be turning on your toaster and changing the temperature of your fridge—wireless is going to be used for all sorts of things in our households in the future, and we are going to need the bandwidth. So, if this is taxpayer funds, I am pretty confident that we are going to get a good return on our investment in the future.

If governments have any role to play, even the Liberals must understand that they have a role to play in providing essential infrastructure. In this case, I have no doubt at all that they are going to get a good return on their investments. We have also seen a lot of chief economists around the country saying that now is the time to do this. While interest rates are so low in this country and globally, now is the time to lock in 20/30-year bonds against infrastructure, and that is exactly what would suit this type of project.

This really is not just about consumers. The big issue with fibre to the node and then copper to the home is upload speeds, not download speeds. Quite frankly, I could not give a damn about how quickly my kids download their home movies. I am more interested in the advantages to business. While I am very excited about the prospect of broadband in Tasmania, I am disappointed that, as a state who has had first-mover advantage in this area,
we have capitalised enough on it. We have not developed a business around how we are going to use the broadband, but it is coming.

I looked at a submission to the recent NBN inquiry from an ICT company in Singapore who said that when the Singapore government outlaid their infrastructure—fibre-optic cable—they set a whole series of KPIs that the government needed to achieve, including, for example, doubling their ICT exports and doubling their employment in the IT industry. This is exactly what Tasmania is now embarking on. It is no secret that we are an island on the bottom of the world. It might not be the arse end of the world, but you can see it from there with a good telescope! We need to do things that we have a competitive advantage in. We need to be able to facilitate and enable people to work from home and from businesses where they can be as competitive as anyone else the world.

We have some of the best creative industries in this country. In Hobart, we have two big proposals underway, including the creative industry hubs under construction. One of them is a joint-venture between MONA—which has been a stunning international success and a hugely important contributor to the Tasmanian economy—Theatre Royal and the University of Tasmania. We have another private hub being developed around digital media and content creation and delivery, which requires broadband. These are the types of jobs that our kids in Tassie want to stay for if you go ask them, 'What sort of jobs would you want to come back to Tassie for?' These are the areas that kids are interested in: high-tech information communications technology.

The University of Tasmania is another example. We have no doubt that in the next 10 to 20 years a lot of universities are going to be virtual. You will do your courses online. We already do much of our content delivery online. I have taught online courses and I know how difficult it is for students. With broadband it is suddenly so much easier for me to do live streaming of lectures and content into places like Shanghai, Indonesia and the Philippines. The University of Tasmania in my state already has a competitive advantage in delivering online courses. This sort of thing would be a huge boom. The University of Tasmania is already the second biggest employer in my state. This is the type of infrastructure that we need to get another leg up and to drive the future innovation that will create employment in Tasmania, retain our youth and make them want to come back.

If we do not get the full rollout to the home, the Tasmanian Greens have said that they will put together a business unit to help finance this at a state level. I was in the Senate inquiry when rolling out fibre-optic cable on overhead lines was talked about. I am yet to make a decision as to whether I think that is the right way to go. Disruptions are certainly going to be a serious issue. There were 70 power poles down in the last storm in Tasmania. That would cause a disruption to the network. Nevertheless, we are happy to consider it if it is going to deliver some effectiveness. But it is an election stunt for Will Hodgman to say that he is going to deliver broadband to the home, not from the node, by rolling it out under a trial. It has already been trialled. Aurora Energy has already trialled overhead network technology with fibre-optic cable. It is already there if you want to use it. If you have the conviction, then come out and say it. To not go for some half-cocked plan about a trial.

I would like to take the opportunity tonight to say that I have also been very focused on this area around broadband in Launceston, the little town that I come from, where my office is and where my family live. Last year, I and the Greens delivered $3 million to build a technology
innovation hub in the centre of Launceston. It is called Macquarie House. It is a beautiful old four-storey building that has not been used for 67 years. It is right in the centre of town. We asked the youth what they wanted, and this hub was the answer we got.

I went and visited Brisbane, where they have The Edge, and Sydney, where they have ICE, which are very similar innovative digital hubs used by the community, and they are renting space to businesses. We are setting up a collaborative working space in the centre of town that is going to be cash flow neutral because you have to pay to use it. We are but also hoping that it is going to create energy, which Launceston desperately needs, energy for youth and creativity and be a people space where people will want to go. It already has broadband going past the premise. I can say hand on my heart it is absolutely critical that, if we are going to make business decisions around the use of this infrastructure, these are the types of projects that we as government need to start getting involved with. There is a role for us to play in providing infrastructure for collaboration and in the collaborative economy.

I would say very clearly here tonight, and I know that if Senator Ludlam were here he would also say, ‘Let's do it properly. Let's get it done up-front. Yes, it costs money.’ It is a massive project, and enormous projects always have hiccups. Why is it that we cannot accept that that is the reality? Because, there is politics involved.

Tonight I say: let us put the politics aside. I would urge the Liberal Party, in Tasmania and federally—as I would certainly urge Labor—to focus on putting the politics aside and getting this done properly so that my state can trade on its competitive advantages, on its creative economy and on the innovation that we are seeing in our youth. We know that we can do things as well as anywhere in the world from Tasmania—from my home, from my university and from my business.

It is already a growing sector for my state. I am very excited about the prospects and I wanted to share that optimism with the Senate tonight.

Senator POLLEY (Tasmania) (17:52): I rise today to speak on this urgency motion, to impress upon the Abbott government the need to actually honour its election commitment to roll out fibre-to-the-premises broadband for no less than 200,000 premises across the state.

Holding the government to this commitment has many benefits for my home state, including the fact that it would stop a digital divide from tearing Tasmania apart. Today, I want to focus on one of the particular benefits that fibre-to-the-premises broadband would have for Tasmania and that I believe is of particular urgency.

In comparison to other states and territories, Tasmania has a high percentage of older people. In fact, the state's population is the oldest in the country and ageing faster than any other state or territory. It is actually for this very reason that world-class, fibre-optic-cable-connected broadband is so essential to Tasmania. It is nothing short of urgent, because the state needs this technology.

Late last year I spoke in this chamber about why Labor's broadband model had the potential to assist in transforming the lives of older Australians. I noted that the NBN is not, as the coalition would have you believe, just about providing people with superior video entertainment systems. In fact, some experts have estimated that 30 to 40 per cent of total NBN usage across all areas would be for health applications. That is why we need to pause and consider just how vital a reliable, medical-grade broadband connection is for technologies
such as telehealth. Today, medical professionals can engage in face-to-face consultations and examinations via high-definition monitors and cameras. This means that instead of visiting a hospital or being moved into a residential facility older Australians can stay at home, where they feel comfortable. They can communicate with others and in the process help to combat social isolation.

The sky really is the limit. Earlier this year I spoke to an ehealth expert, Kathy Kirby, who has worked diligently for years to update and expand the existing telehealth network in Tasmania. Her message to me was quite clear: the technology to support the expansion of telehealth is available. The opportunities are right there in front of all of us. It is no surprise that the momentum really is gathering behind the conviction that technologies like telehealth can change the lives of older Australians and dramatically enhance the cost-effectiveness of our health and aged care systems.

Several weeks ago I was fortunate enough to join several other shadow ministers in meeting with Age Discrimination Commissioner, Susan Ryan. Ms Ryan is a strong advocate for improvement to internet access for older Australians, and she impressed upon us the great potential of telehealth to assist older people who may otherwise miss the digital revolution. The problem, of course, is that the coalition's NBN infrastructure plans may well not be sufficient to support such innovations fully. We are talking about remote consultation, examinations and diagnosis: the bandwidth requirements in both directions are high, and they are only going to get higher.

The difficulty is this: even if a medical practitioner in, say, Launceston, Devonport or Queenstown can afford to extend the connection from the node to his or her premises, many people will not. There will be insufficient service at the recipient's end in terms of the bandwidth going out of the home. So it is important that this issue is put front and centre in Tasmania and, indeed, across the nation.

It is of course entirely predictable that the strongest proponents of fibre-to-the-premises broadband are often younger, tech-savvy people—people well versed in the language of megabytes, nodes and download speeds. But it is time for this to change. It is time for older Australians and those who care for and support them to stand up and say, 'We need fast, reliable, medical-grade broadband connections right now, across the board.'

I think it is telling that the people of Tasmania have given a clear message to state opposition leader, Will Hodgman. We want our households and businesses connected to world-class broadband. It comes as absolutely no surprise that Mr Hodgman was caught out saying in front of a live ABC microphone that the NBN issue could cost him the upcoming state election. Tasmanians know that they were given a clear promise—all existing NBN contracts would be honoured. Instead, the communications minister went back on his word and is intent on creating a digital divide in Tasmania.

This motion is a matter of urgency for Tasmanians, because we deserve better and we should not be lied to. The coalition's approach is not good enough. It is not good enough for households and businesses and, as I have focused on today, it is certainly not good enough for those older Tasmanians who simply want access to technology—(Time expired)

Senator BUSHBY (Tasmania—Deputy Government Whip in the Senate) (17:58): This motion of urgency just demonstrates the fact that the Tasmanian Labor-Green government
does not have the record to be able to stand up and say that it needs to be re-elected, on the basis of what it has done to Tasmania over the last 16 years.

If you look at the state of the economy, if you look at the state of jobs and if you look at any of the economic or social indicators, Tasmania is at or near the bottom in just about every particular category. The fault for that has to be pointed directly at the fact that we Tasmanians have suffered under 16 years of Labor, and the last four years from Labor in bed with their good friends, the Greens.

And so what are they doing here at the last minute? They are trying to create an issue, because they cannot stand on their record about the NBN.

Senator Polley: Will Hodgman is concerned that it will cost him the election! You're leaving him out to dry!

Senator Cormann interjecting—

The ACTING DEPUTY PRESIDENT (Senator Boyce): Order! Senator Polley! Senator Cormann!

Senator BUSHBY: As Senator Polley mentioned, the Leader of the Opposition in Tasmania, Will Hodgman, was overheard saying that the NBN could cost him government. That is because Labor are working very hard to try to make this into an issue. The reality is that Tasmanians need to make their decisions based on the record of Labor and the Greens and the appalling state of the economy in Tasmania; the embarrassing fact that Tasmania is at the bottom of so many economic and social indicators. I think Tasmanians are smart enough to see through this. I think Tasmanians will look at the record of Labor and the Greens over the last 16 years and they will make the appropriate decision. I think they will see past this smokescreen that Labor is trying to create, surrounding the NBN issues, and will vote accordingly. I am confident that on 15 March we will see the Liberals do significantly better than the Labor Party, and the Labor Party will get a real lesson—but, of course, because of the Hare-Clark system that does not necessarily mean we are going to win. That is why they are going so hard with this. They are going so hard because a few votes here or there could mean they end up getting a second seat in an electorate, even though they are going to suffer the judgement of the Tasmanian people.

Honourable senators interjecting—

The DEPUTY PRESIDENT: Senators on my left, please stop interjecting.

Senator BUSHBY: Coming to the actual subject of this motion, the only promise that has been broken here is the promise that the Labor Party made to the people of Australia prior to the 2007 election—namely, that they would deliver and build an NBN that would be finished in 2013, for $4.7 billion. We all know that under Labor the timeframe and the cost blew out horribly.

The rollout in Tasmania last year—even when they did get it going, and it was at a much higher cost—ground to a halt in the middle of last year, due to Labor's incompetence. Labor has also peddled the line that the NBN is free. There is nothing free about the NBN. Under Labor's plan taxpayers were on track to foot a $73 billion bill—that is, seventy-three thousand million dollars—and increased monthly internet bills, by up to 80 per cent. That raises the issue of affordability, which if I have time I will touch on later.
Senators opposite appear to live in a world where blank cheques are doled out and money grows on trees. If it is somebody else's money they do not care about spending it. On this side of the chamber we actually take the decision to spend taxpayers' money responsibly, and we want to make sure we get the best possible outcome for the money we spend.

There is also a misconception that under Labor's proposal 100 per cent of premises will get optic fibre, right up to their doors. But of course that is not the case. Senator Polley was talking about e-health and people who might be able to take advantage of that in remote areas. People in remote Tasmania were not getting any fibre to their door. They were getting a mixture of wireless and satellite, and that will continue. We are delivering exactly the same outcome to people in those areas as they would have under Labor's plan. Under Labor they would get wireless and satellite and under us they will get the same, only they will get it a bit quicker. They will get it sooner than they would have under Labor. Tasmanian Labor senators, most of whom seem to be here, did not seem too concerned when they were in government—

**Opposition senators interjecting—**

**Senator BUSHBY:** You are showing concern now, but when you were in government you did not show concern about the fact that the NBN practically stopped under Labor. In the middle of last year it stopped, and it took a change of government to get it back on track in Tasmania.

I have a couple of general points on our mixed technology plan. Firstly, there seems to be a misapprehension that businesses, education and health will miss out on getting fibre to their premises. That is just not true. Senator Whish-Wilson and Senator Polley both made comments in their contributions about how there would be missed opportunities in business, health and education. Under our plan, every school, every hospital and every business hub will get fibre to the premises. So you are spinning things that just are not true if you suggest anything otherwise.

Further, under our plan approximately one-third of all Tasmanian premises will get fibre to their door. Fibre on demand means that anyone who is running a business from their home will be able to get fibre to their premises for a matter of a few thousand dollars, which, if you are running a business, is usually not the end of the world. But it certainly is available to you to do that. A lot of people will not do that, and I will tell you why in a minute. Where premises do not get fibre to the premises they will get fibre to the node. This is seriously upgraded compared with the broadband we have now. There is, I think, somewhat of an impression out there—and certainly the Labor Party are doing their best to foster it—that under our plan there will be no improvement and there will not be any super-fast broadband being delivered to premises around the country. The reality is that all premises under our plan will get super-fast broadband to their premises. That will come via fibre to the node, and then that will deliver super-fast broadband to houses, the last 400 metres or so using the copper network. In other countries that technology is delivering 100-megabit downloads and 40-megabit uploads. That technology is currently being used in other countries and it is delivering those speeds now. It is hard to conceive how a normal household could possibly use 100-megabit downloads or, alternatively, 40-megabit uploads.

**Senator Polley interjecting—**
Senator BUSHBY: Senator Polley interjects to talk about health. If you are getting 100-megabit downloads and 40-megabit uploads you will be able to do any of the e-health things that Senator Polley is suggesting. That is 10, 12 or 15 times faster than the fastest broadband you can get using the existing copper that is in the ground now. This will increase the speed 10 or 15 times. So it is hard to conceive how a household—

Senator POLLEY: I rise on a point of order. Senator Bushby is misleading the Senate. To have fibre to the home will cost households $5,000 to $6,000, so they will not have that—

The DEPUTY PRESIDENT: Senator Polley, there is no point of order. Senator Bushby has the call.

Senator BUSHBY: I agree that there was no point of order, but Senator Polley made an interesting point in saying that I was misleading the Senate. I indicated that fibre on demand will cost a few thousand dollars. It may be five or six thousand or it may be two or three thousand—we do not know yet. But what I am talking about is our plan to deliver superfast broadband to the premises using fibre to the node. That technology in other countries is delivering 100-megabit downloads and 40-megabit uploads. The technology is improving all the time and the speed is getting faster all the time. In coming years we can expect to actually see much higher download and upload speeds than we are currently seeing in other countries.

The suggestion that Tasmanians or Australians are going to miss out completely, because they are getting fibre to the node, is just not true. The other thing to remember is that, in Korea, Samsung, I think it is, has recently been trialling wireless superfast broadband that delivers one-gigabit downloads over wireless. That is probably not going to be commercially rolled out for a good five years, but it highlights that technology is developing in a way that may well usurp the benefits of delivering fibre to the premise which Senator Whish-Wilson was talking about.

Labor has managed this project incompetently—there is no doubt about that. Their plan would have cost $29 billion more than they had let on and would have increased monthly internet bills by up to 80 per cent, or $43 a month. Crucially, everybody in Tasmania will receive superfast NBN. Our job is to do that sooner and at less cost to the taxpayer. Incorporating technologies into the NBN that can be readily upgraded and are already delivering high-speed broadband to families in other countries will enable us to do just that. We are on course to deliver more NBN connections to Tasmanian homes and businesses this calendar year than over the entire five years since the rollout began. I make this point: since we got into government, we started rolling out fibre to the premise again. That is what we are doing. We will double the number of homes in Tasmania that have fibre to the premise and we will do it in a year when it took you five years.

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (18:08): When the Prime Minister visited Cadbury in Hobart prior to the election, he said it was unusual for a federal government to co-invest with a profitable company but that Tasmania is a special case. I agree: Tasmania is a special case. It is an island state heavily dependent on exports, and Tasmania has been hit hardest by the global financial crisis and high Australian dollar. But a decade ago, when the Tasmanian Labor government developed the backbone for our optical fibre network, they knew that Tasmania’s economic future lay in information and communications technology. The full fibre optic rollout of the National Broadband Network in Tasmania is vital to securing Tasmania’s economic future. Tasmanian Labor understands
this; federal Labor understands this. The only ones who do not seem to understand it are the Liberal-National coalition, and yet they pretend to care about jobs.

Let me tell those opposite what will create jobs in Tasmania. In Tasmania, a state which is heavily dependent on primary industries, an organisation called Sense-T is developing the world's first economy-wide sensor network. The data being gathered by the Sense-T project is increasing the productivity of farms, oyster growers, wineries and a variety of other businesses across Tasmania, and this is just one example of the economic and jobs potential that is possible with the speeds of Labor's NBN—the real NBN, not the coalition's fraud-band alternative.

Many Tasmanians, especially those engaged in the digital economy, understand the importance of high-speed broadband to create the jobs of the future. They understand Tasmania's potential to be a leader, not just a passive participant in the digital economy. They understand that to be a leader we need fast broadband, and 25 megabits per second just is not going to cut it. They understand that if Mr Abbott is serious about his promise to create a million jobs in five years the full fibre-to-the-premise rollout in Tasmania is a good place to start. But Mr Abbott and his colleagues just do not get it.

When Mr Turnbull was appointed shadow communications minister, the riding orders from his party's leaders were to demolish Labor's NBN. Today, Mr Turnbull has executed those orders with distinction. Knowing that fast broadband is popular in Tasmania, those opposite, including Tasmanian Liberal senators, kept the coalition's real agenda deliberately hidden before the federal election. Every time Senator Bushby or Mr Turnbull or any other Liberal member or senator was asked whether the full fibre rollout in Tasmania will be honoured, they could not give a straight answer. Instead, they said that existing contracts would be honoured. In the words of Senator Bushby: 'If contracts are in place for the full fibre rollout, there will be no difference in who gets fibre to their home in Tasmania under Labor or Liberal.' Those were obviously weasel words—a deception designed to give Tasmanians the impression that a full fibre rollout was a coalition election commitment. They deliberately misled Tasmanians into thinking that those who were in the optic fibre footprint under Labor's NBN would have fibre delivered to their home. Then they had the temerity to accuse us of a scare campaign when we pointed out that 85,000 homes would miss out, and yet now it appears that the actual number will be much higher. What a joke; what a hoax from those on the other side; what a ruthless deception those opposite perpetrated against the Tasmanian people when they dashed one of the best hopes for our state's social and economic future.

Tasmania's opposition leader, Will Hodgman, said that this issue could cost him the election, and it should. State Labor has always offered unqualified support for the NBN. In fact, it was thanks to the work of the state Labor government that Tasmania became the first rollout site, whereas Mr Hodgman's recent conversion to the full fibre rollout in Tasmania absolutely smacks of opportunism and political desperation. I know Mr Hodgman has found the road to Damascus, but I am not quite sure he is going to walk down it. You would want to be very, very careful: Tasmanians will not want to pay and should not have to pay because you made a promise to them before the federal election that they would have fibre to the home. My question to those opposite is: how much is it going to cost Tasmanians to get fibre from the node to the home? It will cost $5,000 or $6,000.
Tasmanian voters were conned and deceived by the coalition prior to last year's federal election. I hope that Tasmanians do not allow themselves to be conned a second time. They should not be conned into thinking that the Abbott government's agreement to run a trial of fibre to the home using aerial wiring is anything but a decoy to get their state colleagues through the next election. (Time expired)

Senator SMITH (Western Australia) (18:13): On the issue of broadband in Tasmania, the perspective of a Western Australia Liberal Party senator can be trusted. Labor is clutching at fibre straws. Let's go to the beginning. Let's go back in time to 2009. You would know it better than me. What did Kevin Rudd and Senator Conroy say?

The ACTING DEPUTY PRESIDENT (Senator Boyce): I am sorry, Senator Smith, you need to refer to current members and former members by their correct name and title.

Senator SMITH: It is a pleasure to call the former member for Griffith and former Prime Minister 'former'. Indeed, if Senator Conroy were proud of his Tasmanian experiment, he would be here. He has left you hanging out. I only have a limited amount of time and I have a lot of material to get through.

Opposition senators interjecting—

The ACTING DEPUTY PRESIDENT: Members on my left; Senators!

Senator SMITH: This is not a laughing matter and I would like an opportunity to put my case. I have been sitting here diligently—

The ACTING DEPUTY PRESIDENT: Just proceed, Senator Smith.

Senator SMITH: So what did the former Prime Minister say about the National Broadband Network? He said: 'Like the building of the Sydney Harbour Bridge, this is a historic act of nation building.' You should be very grateful that he did not get to complete it. I would like to introduce you to the strategic review document that was released in December. If you have not had a chance to read it, you should. It is a very sorry tale.

Let me jump ahead, because of limited time. If you were genuinely interested in broadband access to Tasmanians you would be talking about the Interim Satellite Service, which is a disgrace. Those Tasmanians living in remote and regional communities have been failed by Labor.

Senator Polley: You have no credibility at all.

Opposition senators interjecting—

Senator SMITH: Do you know about the interim satellite solution?

The ACTING DEPUTY PRESIDENT: Senator Smith, please address you remarks to the chair. Would the senators on the left please allow the senator to speak in silence. As you know, Senator Smith is not allowed to ask you questions, so please do not respond to them.

Senator SMITH: The Interim Satellite Service is a very important issue and goes to the people I represent, as a Western Australian senator; they are those electors across regional Australia—not just in Tasmania but also in Western Australia.

Here is a very brief history lesson. In 2011 when the Interim Satellite Service was launched, 165,000 households and businesses were told they were eligible. That probably sounds fair enough, except that the satellite only had capacity for 48,000. So why was the
minister for communications, Senator Conroy, not telling the truth? Then again, in early 2013, the former government—of which you were all members—said that the number of eligible households and businesses that could get the Interim Satellite Service would rise to 250,000 off the same satellite that still only had capacity for 48,000.

Opposition senators interjecting—

Senator SMITH: You should be grateful you live in Tasmania, because I will share with you what happened in Western Australia. If you read the strategic review, you will discover that the National Broadband Network, under your former government, passed just 55 per cent of the almost 846,000 that were detailed in the corporate plan. Do you know what that is? Guess what percentage of the total rollout that is—three. There was just three per cent of the total rollout under your plan. There is much to be embarrassed about.

But let us talk about Western Australia. Of the 335,000 premises passed in this country under the NBN, under your guidance, guess how many were passed in Western Australia—just 16,000. Guess how that compares with Tasmania—30,000. We have something to complain about; you have little to complain about. Of the 16,000 that were actually activated in Western Australia, guess how many were activated at existing premises—guess how many of 16,000—(Time expired)

Senator THORP (Tasmania) (18:19): This has been most entertaining and I thank Senator Smith for his valiant effort to try to justify his government's position on this incredibly important area for Tasmania. I am extremely disappointed, but I cannot say surprised, to notice that there are no Tasmanian government senators in this place. Even Senator Bushby bolted as soon as he possibly could, because he knows what he was saying was complete rubbish.

The announcement that Tasmania was likely to be the first jurisdiction in the country to have the NBN rolled out was some of the best news Tasmania had had for a long time. And as Senator Bilyk noted quite effectively, Tasmania does require special treatment. We are an isolated jurisdiction. We are an island state. We have an ageing population. An incredibly large proportion of our population is in receipt of Commonwealth benefit. We do have special circumstances. The concept of the NBN—the proper NBN; the real NBN—being rolled out in Tasmania was some of the best news that our state had had for a long time. Then Premier David Bartlett celebrated it. As someone who is expert in the IT area, he had the vision to realise what it could do for Tasmania. There has been a lot of talk about contracts and weasel words around contracts. But I have in my hand the press release—

Senator McKenzie interjecting—

Senator THORP: Senator McKenzie may chuckle but here it is, in black and white:

NBN Co seals construction contract to complete broadband rollout in Tasmania.

Up to 800 new jobs to be created at peak of rollout.

State Government backs training for school leavers and job seekers.

Very good news for the state, and celebrated at the time. At about the same time, Visionstream—subsidiary of the people to whom the contract was awarded, Leighton contractors—secured the $300 million NBN contract. It is in black and white.

NBN Co confirms it; the successful contractor confirms it. There were contracts let for the full rollout of NBN to Tasmania. Senator Bushby may try to obfuscate, but the reality is we
knew that the rollout would involve about 20 per cent of wi-fi and 10 per cent of satellite from day one. This is because of the disparate nature of our population centres and because of our geography. We all knew that. But we knew that 70 per cent of Tasmanians, whether they be businesses or homes, would receive fibre to the-premises.

Of course, the election loomed and there was a bit of nervousness around. So we needed to get some clarification about what was really going to happen. Malcolm Turnbull said:

As we have stated in our policy we intend to honour existing contracts—the alternative would be to breach them and that is a course we would not countenance.

That was in May 2013. Then in August he said:

What we will do is honour the NBNco’s contracts.

The contract that I have just shown here is for a full, complete broadband rollout in Tasmania. You cannot get away from it. Mr Turnbull also said:

We’re not about to tear contracts up or walk away from contracts.

Now, that gave a certain level of confidence to the Tasmanian community, and TASICT Executive Officer, Mr Dean Winter, was comforted, as were many people in Tasmania, that the coalition—the now government—would honour their commitment to Tasmania. He welcomed the statements by now Minister Turnbull to that effect, by saying:

Tasmania is assured now to be the first jurisdiction fully connected to the NBN and may end up being the only jurisdiction to boast the full fibre to the premises rollout.

This is based on the fact that if the coalition’s plan took off and our contract was honoured, we would be the only ones. We were not convinced though. We asked time and time again for confirmation of that.

The then Minister Julie Collins wrote letters to the editor—she wrote all over the place to try and get some confirmation—and was accused by Senator Bushby of manufacturing mistruths and distorting the truth as part of a scare campaign. But we were right, because look what has happened. We even had some comfort earlier from comments from Ziggy Switkowski who said that we should be encouraged that things could be fixed. But they are not going to be. Tasmania has been conned. We are going to be conned again.

**The ACTING DEPUTY PRESIDENT (Senator Boyce):** The question is that the need for the government to honour its election commitment to rollout fibre-to-the-premises broadband to no less than 200,000 premises in Tasmania is a matter of urgency.

Question agreed to.

**COMMITTEES**

**Scrutiny of Bills Committee**

**Report**

**Senator POLLEY** (Tasmania) (18:24): I present the second report and Alert Digest No. 2 of 2014 of the Senate Standing Committee for the Scrutiny of Bills.

Ordered that the report be printed.

**Senator POLLEY:** I seek leave to continue my remarks later.

Leave granted; debate adjourned.
Regulations and Ordinances Committee
Delegated Legislation Monitor


Publications Committee
Report

Ordered that the report be adopted.

DOCUMENTS
Great White Shark
Tabling

The ACTING DEPUTY PRESIDENT (Senator Boyce) (18:26): I present a response from the Minister for the Environment, Mr Hunt, to a resolution of the Senate of the of 12 February 2014 concerning the great white shark.

Senator SIEWERT (Western Australia—Australian Greens Whip) (18:26): by leave, I move:
That the Senate take note of the document.

I am extremely disappointed with the minister’s response to the resolution of the Senate, which called on him to review the exemption of the shark cull from the Environment Protection and Biodiversity Conservation Act with a view to terminating it. This is having a huge impact on sharks in Western Australia.

The Minister for the Environment has a responsibility to look after the great white shark because it is listed as a vulnerable species under the Environment Protection and Biodiversity Conservation Act. He also has a broader responsibility to protect the environment in Australia. He made an extremely political decision to exempt the shark cull, trying to imply that it was an emergency because exemptions under the Environment Protection and Biodiversity Conservation Act are used for emergencies. They are not used for political purposes so that they can give Premier Barnett a leave pass to put in drum lines that are indiscriminately taking sharks off the Western Australian coast. The decision was not based on science. It was based on the fact that the Premier wanted to get a bit of a bounce in the popularity polls. He made a mistake, of course, because he misread Western Australians’ love for the marine environment and, in fact, their love for sharks.

When you get over 7,000 people on a beach in the middle of summer in Cottesloe showing the Premier just how much they think of sharks and how much they deplore his approach to killing sharks, maybe the Premier should rethink and look at his responsibility to protect our marine environment and listen to West Australians who say they love their marine environment. These are the West Australians who show unwavering support for marine protected areas and who, through their public pressure, managed to ensure that the beautiful Ningaloo marine area was not desecrated by a resort all those years ago. They have time and
time again demonstrated their love for the marine environment, and once again they are saying to the Premier, 'Do not destroy our sharks.'

The letter that we got from the Minister for the Environment basically said that the Western Australia government had not broken the conditions on which the exemption was granted. It is quite plain that they did not assess the conditions at all before they granted the exemption—they just rubber-stamped the exemption and sent it through.

It is quite plain that the program is breaching those conditions because, for a start, the program is not minimising the impact on undersized sharks. The hooks they are using are indiscriminately catching various sized sharks. When we finally did get information tabled, in a letter from the Western Australian government relayed to the federal government, we found that 66 sharks had been taken. We know that 49 were undersized. This information is now nearly two weeks old and we know very well—from the tweets that come from Surf Life Saving WA when sharks are released—that many more sharks have been taken since then. The public of Western Australia do not know how many sharks have been taken. We do not know how many of those undersized sharks that have eventually been released—40 reported sharks—have survived. We do not know how many are dying.

We have to go to the anecdotal evidence, because there is no monitoring by independent observers of this flawed policy. The anecdotal evidence suggests that many of the sharks are dying because of the hooks that the federal government chose to agree to. Instead of going with the hooks that are really safe for sharks—the circular hooks—they went for the barbaric hooks that get caught and cause an enormous amount of damage to the sharks. It is unlikely that many of the sharks will survive the injuries that are inflicted by those hooks.

The government is clearly unwilling to look at those conditions, or to acknowledge that there have been environmental impacts from this policy. In fact, you would think that the government is acknowledging the environmental damage because—lo and behold!—today the federal Minister for the Environment has said that if the Western Australian government does apply to extend this policy beyond the current exemption of 30 April—it is a bit unclear whether they have yet applied for an extension of this barbaric policy—he will subject it to a full environmental assessment.

That is an acknowledgement that this program does and will have an environmental impact. The minister should never have agreed to allow this exemption. It is having an environmental impact—it always was going to have an environmental impact—on the species that he is supposed to be protecting: great white sharks. The information that he has tabled has noted that at least two mako sharks have been taken. Those mako sharks are covered by the Environment Protection and Biodiversity Conservation Act, because they are a migratory species. In a further response from the Minister for the Environment to the EDO solicitor in New South Wales, the minister tries to write off his obligation to protect the mako sharks by saying, essentially, that he does not have that many obligations under the Convention for Migratory Species, and that Australia has met its international obligations with regard to the mako sharks 'as it participated in negotiations for, and in 2011 become a signatory to, the Memorandum of Understanding on the conservation of migratory species, developed under the convention.' He says that therefore, by participating in those negotiations, he has very little responsibility for those mako sharks.
He is the Minister for the Environment. He is charged with protecting the marine environment.

Yesterday, we also had Prime Minister Abbott saying that he supports the cull and that, in fact, he wants to go and surf in Western Australia. That is an absolutely appalling approach to our marine environment. He is supporting a program that is killing sharks—a program that is breaching the conditions that his Minister for the Environment has signed off on. His minister said that the program was supposed to minimise the impact on the these sharks. I will repeat what the Minister for the Environment wrote to me in a letter. He said, 'Any breach of conditions will result in the exemption being terminated.' It appears that he never envisaged assessing those conditions. When I asked the Department of the Environment about that, they said that, no, they had no responsibility for assessing whether those conditions had been met. They do not even require the Western Australian government to regularly and properly report to them—other than in a few phone calls—what they are catching. For two weeks now, we have not had a report or an update on the sharks that have been taken: the number of sharks that have been killed; what number of undersized sharks have been taken; what species they are; and what the bycatch is.

Last week, an animal was taken on board one of the fisheries vessels and was covered with a tarpaulin. There have been a lot of suggestions that it was a juvenile dolphin that was caught on the drum lines and taken on board that fisheries vessels. Because there are no independent observers on those vessels, we do not know. Quite frankly, I do not now believe the government when they say, 'It's all okay here; there's nothing to show.' If that is the case, why did they bother covering it with a tarpaulin? Why did they hide it from the vessels with the activists, who are trying to do the public service of reporting back on what is being taken? Of course, the media was following as well. They could not tell what was under that tarpaulin. If there was nothing to hide, they should have shown us what was under the tarpaulin.

The contractor who is taking the sharks in south-west WA is not measuring the sharks that are taken. Thanks to the work of community activists, we have seen, unfortunately, the most distressing video coverage and photos which came out last week of how tiger sharks that were too damaged to release were treated—they were stabbed in the head. That is just appalling. It is having an impact on the marine environment. It is slaughtering sharks. (Time expired)

Question agreed to.

Order for the Production of Documents

Documents were tabled pursuant to the order of the Senate for the production of documents concerning the National Commission of Audit.

BILLS

Customs Tariff Amendment (Tobacco) Bill 2014

Excise Tariff Amendment (Tobacco) Bill 2014

First Reading

Bills received from the House of Representatives.

Senator SINODINOS (New South Wales—Assistant Treasurer) (18:37): I move:

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

Question agreed to.
Bills read a first time.

**Second Reading**

**Senator SINODINOS** (New South Wales—Assistant Treasurer) (18:38): I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

**CUSTOMS TARIFF AMENDMENT (TOBACCO) BILL 2014**

This Bill amends the *Customs Tariff Act 1995* to enact two tobacco excise equivalent customs duty measures that should help to reduce disease and premature death due to smoking by increasing the cost of consuming tobacco products.

This Bill imposes the same measures on imported goods, also known as excise equivalent goods, as the Excise Tariff Amendment (Tobacco) Bill 2014 imposes on local goods. This ensures imported tobacco products are treated the same as local tobacco products.

Firstly, this Bill increases the rates of excise equivalent customs duty on tobacco and tobacco products through a series of four staged increases of 12.5 per cent, commencing on 1 December 2013 with subsequent increases on 1 September each year until the last of the staged increases in 1 September 2016.

Secondly, this Bill also changes the basis of indexation of excise equivalent customs duty on tobacco and tobacco products from the consumer price index (CPI) to average weekly ordinary time earnings (AWOTE). The last CPI indexation occurred on 1 August 2013 and the first AWOTE indexation occurs on 1 March 2014.

The tobacco measures in this Bill were previously tabled by the Parliamentary Secretary to the Treasurer as *Excise Tariff Proposal (No. 1) 2013* on 10 December 2013. Consistent with normal Parliamentary practice, the customs tariff proposal now requires incorporation in the Customs Tariff Act.

Full details of the measures in this Bill are contained in the explanatory memorandum.

**EXCISE TARIFF AMENDMENT (TOBACCO) BILL 2014**

Smoking is a major cause of disease and premature death.

The measures in this Bill will increase the cost of consuming tobacco products with consequential impact on demand for tobacco products.

The Bill increases the rates of duty on tobacco and tobacco products through both a change to indexation and by staged increases to rates of duty. These measures will lift the price of a packet of cigarettes significantly.

These two tobacco measures are contained in the Excise Tariff Amendment (Tobacco) Bill 2014, which amends the *Excise Tariff Act 1921* (Excise Tariff Act).

The tobacco measures in the bill were previously tabled by the Parliamentary Secretary to the Treasurer as Excise Tariff Proposal (No. 1) 2013 on 10 December 2013. Consistent with normal Parliamentary practice, the excise tariff proposal now requires incorporation in the Excise Tariff Act.

The Bill increases the rates of excise on tobacco and tobacco products through a series of four staged increases of 12.5 per cent, commencing on 1 December 2013 with subsequent increases on 1 September each year until the last of the staged increases in 1 September 2016.
The Bill also changes the basis of indexation of excise duty on tobacco and tobacco products from the consumer price index (CPI) to average weekly ordinary time earnings (AWOTE). The last CPI indexation occurred on 1 August 2013 and the first AWOTE indexation occurs on 1 March 2014.

The measures in the bill are in line with the National Tobacco Strategy (NTS) 2012-2018, which draws together a number of tobacco control initiatives and policies of both the Commonwealth and the States.

The NTS 2012-2018 sets out nine priority areas for action on tobacco control in Australia, including priority area 6 'Continue to reduce the affordability of tobacco', under which priority action 6.3.2 is to 'Continue to implement regular staged increases in tobacco excise as appropriate, to reduce the demand for tobacco'.

The Bill increases the rates of tax on tobacco products as well as indexing tobacco excise to a broad measure of wages rather than the CPI, consistent with recommendations of Australia’s Future Tax System Review. Indexing to such a measure would maintain policy effectiveness by preventing excise falling as a proportion of income.

In 2003, Australia became a party to the World Health Organization (WHO) Framework Convention on Tobacco Control (FCTC). This convention supports the use of price and tax measures to discourage tobacco consumption.

An increase in tobacco excise is consistent with Australia’s obligations under this Convention, and represents a move towards international best practice in the pricing of tobacco products.

In short, the tobacco measures in this bill are consistent with a broad range of Australian policies, strategies and obligations. The Bills implement changes to duty on tobacco products that were announced by the previous government but had not been enacted.

Greater detail is given in the explanatory memorandum for the Bill.

Changes to behaviour by smokers may be difficult but it will occur. Change will provide real health benefits and will be enhanced by the comprehensive set of tobacco control initiatives in place, including public education programs, the provision of assistance and advice through quit programs, and the increased availability of smoking cessation therapies and aids. The explanatory memorandum also details the evidence underlying the tobacco control strategies and policies.

Debate adjourned.

Governor-General Amendment (Salary) Bill 2014

Tertiary Education Quality and Standards Agency Amendment Bill 2014

First Reading

Senator SINODINOS (New South Wales—Assistant Treasurer) (18:39): I indicate to the Senate that these bills are being introduced together. After debate on the motion for the second reading has been adjourned, I will be moving a motion to have the bills listed separately on the Notice Paper. I move:

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

Question agreed to.

Bills read a first time.

Second Reading

Senator SINODINOS (New South Wales—Assistant Treasurer) (18:39): I move:
That these bills be now read a second time.

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

Leave granted.

*The speeches read as follows—*

**GOVERNOR-GENERAL AMENDMENT (SALARY) BILL 2014**

This bill will set the salary of the next Governor-General.

The Governor-General is appointed by Her Majesty The Queen on the advice and recommendation of the Prime Minister and under the provisions of the Letters Patent relating to the Office. On 28 January 2014, the Prime Minister announced that The Queen had approved his recommendation to appoint General Peter Cosgrove AC MC as our next Governor-General following the retirement of Her Excellency the Honourable Quentin Bryce AC CVO.

General Cosgrove will be sworn in as Governor-General on 28 March 2014. Section 3 of the Constitution prevents the Governor-General's salary from being altered during his term of office. As such, the salary must be set prior to the appointment of General Cosgrove as Governor-General on 28 March.

Although the Governor-General serves at The Queen's pleasure, it is usual to serve for approximately five years. As such, it is necessary to set the next Governor-General's salary at a level appropriate for the duration of this term.

It has been long-standing practice to set the Governor-General's salary with reference to that of the Chief Justice of the High Court. The proposed salary is based on a forecast of the Chief Justice's salary over the next five years using wages growth projections. I note that the Chief Justice's salary is determined annually by the Remuneration Tribunal, a body that is independent of government.

In setting an appropriate salary, the Governor-General Designate requested that regard be given to the Commonwealth-funded military pension he will be entitled to receive during his term in office. This is consistent with precedent established by Sir William Deane in 1995 and continued most recently for Her Excellency, Ms Bryce, in 2008.

The proposed salary of $425,000 per annum therefore takes account of General Cosgrove's military pension.

I commend the bill and present the explanatory memorandum.

**TAX AND SUPERANNUATION LAWS AMENDMENT (2014 MEASURES NO. 1) BILL 2014**

This Bill introduces legislation for a number of measures that were announced but unenacted at the time of the change in government in September last year.

Schedule 1 to the Tax and Superannuation Laws Amendment (2014 Measures No.1) Bill 2014 amends the *Superannuation Industry (Supervision) Act 1993* to introduce civil and criminal penalties for promoters of schemes that have resulted, or are likely to result, in the illegal early release of superannuation benefits.

Promoters of these schemes typically take a substantial commission from the superannuation benefit that is transferred.

Currently the Commissioner of Taxation can only seek penalties for scheme promoters who are also trustees of a regulated superannuation fund. These amendments will extend sanctions to the promoters of such schemes.

Promoters of illegal early release schemes will face civil and criminal penalties including a monetary penalty of up to $340,000 (2,000 penalty units) or imprisonment of up to 5 years.
These penalties will deter people from promoting such schemes and will help to ensure Australians' superannuation savings are protected for their retirement.

Schedule 2 to the Tax and Superannuation Laws Amendment (2014 Measures No.1) Bill 2014 amends the Superannuation Industry (Supervision) Act 1993 to introduce administrative directions and penalties for contraventions relating to self managed superannuation funds.

The current powers available to the Commissioner of Taxation, the Regulator of self managed superannuation funds, to address breaches by trustees of self managed superannuation funds are limited and are generally only appropriate in cases of significant non-compliance. For example, the Commissioner may make a self managed superannuation fund non-complying for taxation purposes or disqualify a fund trustee.

To address instances of non-compliance effectively, the Commissioner needs to be able to impose sanctions that reflect the seriousness of the breach. The amendments made by this Schedule will provide the Commissioner with the power to give rectification directions, such as a direction that a trustee ensure that the fund begin complying with the relevant legislation and education directions to ensure that a trustee's knowledge of the relevant legislation comes up to the requisite standard. The amendments will also permit the regulator to impose administrative penalties on self managed superannuation fund trustees for certain contraventions of the superannuation law.

These additional tools will provide the Regulator with more flexible and cost-effective mechanisms for dealing with non-compliance with the law and will support the ongoing integrity of the SMSF sector.

Schedule 3 gives effect to a measure originally announced in the 2013-14 Budget. The Government announced it would proceed with the measure as part of the process of dealing with matters announced but unenacted at the time of the change in government last year. This schedule will phase out the net medical expenses tax offset. The net medical expenses tax offset is not refundable. It is not well targeted as people who have no tax liability receive no benefit from this offset even if they have high medical expenses.

The Government is phasing out the net medical expenses tax offset with transitional arrangements for those currently claiming the offset, to give people time to adjust. From 1 July 2013, those taxpayers who claimed the offset for the 2012-13 income year will continue to be eligible for it for the 2013-14 income year if they have eligible out-of-pocket medical expenses above the relevant thresholds.

Similarly, those who claim the offset in 2013-14 will continue to be eligible to claim it in 2014-15.

In addition, the net medical expenses tax offset will be available for taxpayers whose out-of-pocket medical expenses relate to disability aids, attendant care or aged care. For these taxpayers, the offset will remain available for these expenses until 1 July 2019.

An out-of-pocket medical expense is the cost of the medical expense incurred, minus available reimbursements. Such reimbursements can include those that are available through the Medicare Benefits Schedule, the Pharmaceutical Benefits Scheme, the Repatriation Pharmaceutical Benefits Scheme, Government aged care subsidies and private health insurance refunds.

These changes refocus health expenditure on Australia's universal Medicare arrangements including generous safety nets for people with high out-of-pocket costs. They will help improve the long-term sustainability of health related expenditure so we can continue to provide a world class health system for all Australians – not just those with a tax liability. The focus of the Commonwealth will be on getting the primary care response right — on continuing substantial support through the existing arrangements.

The Government realises that the financial impact of chronic conditions, including cancer, on those affected by the disease, their families and carers, remains a significant challenge. The Government is committed to fighting cancer, through continuing to invest in prevention, early detection and treatment...
and care. This includes by continuing to provide substantial support for health expenses, including through the Medicare Benefits Schedule, the Pharmaceutical Benefits Scheme and related safety nets.

The National Disability Insurance Scheme (NDIS) is expected to cover all related expenses previously covered by the net medical expenses tax offset for those eligible for a funded plan from the NDIS. The Government is committed to delivering a sustainable NDIS across Australia to support people with significant and permanent disability.

The Government recognises the importance of the aged care system and is also committed to reform in this sector to ensure that older Australians have the care they need, when they need it and wherever they need it. The Government is developing a five year agreement with the aged care sector, known as the Aged Care Sector Statement of Principles.

Schedule 4 amends the list of deductible gift recipients (DGRs) identified by name in Division 30 of the Income Tax Assessment Act 1997 (the Act). Donations made to organisations with DGR status are income tax deductible to the donor and therefore DGR status will assist the listed organisations in attracting public financial support for their activities.

Three organisations are being added to the Act, namely the National Arboretum Canberra Fund, Bali Peace Park Association Inc., and the Prince's Charities Australia Limited. One organisation, the Sir William Tyree Foundation, has changed their name and needs to be relisted in the Act.

Full details of the Bill are contained in the explanatory memorandum.

TERTIARY EDUCATION QUALITY AND STANDARDS AGENCY AMENDMENT BILL 2014

Reducing red tape and enhancing quality in higher education are key priorities for the Government. The Government has committed to deliberate action to remove red tape and is determined to implement an appropriate deregulatory agenda to ensure that higher education institutions have more time and resources to devote to doing what they do best – that is delivering the highest quality teaching, learning and research.

To support higher education institutions to focus their energies and resources on their core business, the Government committed to implementing the recommendations from the independent Review of Higher Education Regulation (the Review). The Tertiary Education Quality and Standards Agency Amendment Bill 2014 (the Bill) will give effect to key recommendations contained in the Review.

The Bill will deliver measures to improve the efficiency of the Tertiary Education Quality and Standards Agency (TEQSA) and reduce the regulatory burden on higher education institutions. The measures will enable TEQSA to focus on its core functions of provider registration and course accreditation and the development of more efficient processes around these functions.

To support TEQSA's focus on its core functions, the Bill will remove TEQSA's quality assessment function which allowed the agency to conduct sector-wide thematic reviews of institutions or courses of study. Such reviews are time and resource-intensive, of TEQSA itself but also of the higher education institutions which are asked to provide input to the reviews. They do not relate directly to TEQSA's core responsibilities to register providers and accredit courses. Broader issues around quality in higher education and risks to quality are better supported through the constructive engagement with, and initiatives of, institutions themselves.

The Bill will enhance TEQSA's capacity to delegate its functions and powers to appropriate level staff within the organisation. This will support swifter decision making and faster turnaround of provider applications. This amendment will also assist to ensure that applicants seeking to appeal a TEQSA decision can access TEQSA's internal review mechanisms rather than as a first step having to seek review through the Administrative Appeals Tribunal.

The Bill will enable TEQSA to extend the period of registration and accreditation in particular cases, on its own initiative, thus improving TEQSA's ability to take a more flexible approach to managing the registration and accreditation processes. For example, in cases where institutions have multiple course
accreditations with different end dates or which do not align with the period of registration, or where they are registered under both the TEQSA Act and the Education Services for Overseas Students Act, TEQSA would be able to adjust the period of accreditation or registration to achieve better alignment. This will make the processes much more efficient for higher education institutions.

In line with TEQSA's refined functions, the amendments will provide the Minister with the flexibility to appoint fewer Commissioners, remove the requirement to appoint full-time and part-time Commissioners, and separate the roles and responsibilities of the Chief Commissioner and the Chief Executive Officer. To enable effect to be given to these amendments, the Bill will curtail the terms of the incumbent Commissioners, allowing the Minister the flexibility to better determine the number of Commissioners required to support TEQSA's renewed focus on its core activities.

The Bill enhances the Minister's ability to give a general direction to TEQSA in relation to the performance of its functions and the exercise of its powers and a specific direction in regards to the fees that TEQSA charges for its services.

Finally, the Bill provides for a number of technical amendments, suggested by TEQSA, to improve the efficiency of the notification requirements.

Debate adjourned.

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

Appropriation (Parliamentary Departments) Bill (No. 2) 2013-2014
Appropriation Bill (No. 3) 2013-2014
Appropriation Bill (No. 4) 2013-2014
First Reading
Senator SINODINOS (New South Wales—Assistant Treasurer) (18:41): I move:
That these bills may proceed without formalities, may be taken together and be now read a first time.
Question agreed to.
Bills read a first time.

Second Reading
Senator SINODINOS (New South Wales—Assistant Treasurer) (18:41): I move:
That these bills be now read a second time.
I seek leave to have the second reading speeches incorporated in Hansard.

Leave granted.

The speeches read as follows—

The purpose of Appropriation (Parliamentary Departments) Bill (No. 2) 2013-2014 is to provide additional funding for the operations of the Department of Parliamentary Services. It is the third and final of the Additional Estimates Appropriation Bills being introduced today.

This Bill, if passed, would provide the Department of Parliamentary Services with additional funding of $5.4 million to assist in meeting operating expenditure and to maintain the provision of core services to support the operation of Parliament. The Department's operating expenditure includes responses to recent reviews of its operations, including in relation to the management of capital works and the provision of information, communications and technology services.

Details of the proposed expenditure are set out in the Schedule to the Bill and the Portfolio Additional Estimates Statements for the Department of Parliamentary Services.
Today, the Government introduces the Additional Estimates Appropriations Bills. These Bills are:

- **Appropriation Bill (No. 3) 2013-2014**;
- **Appropriation Bill (No. 4) 2013-2014**; and
- **Appropriation (Parliamentary Departments) Bill (No. 2) 2013-2014**.

These Bills underpin the Government's expenditure decisions, including pre-election commitments, and decisions made in the Mid-Year Economic and Fiscal Outlook.

**Appropriation Bill (No. 3) 2013-2014** seeks approval for additional appropriations from the Consolidated Revenue Fund of just under $11.6 million.

I now outline four major items sought in the Bill.

First, the Bill includes funding to enable the Department of the Treasury to make an $8.8 billion one-off grant to the Reserve Bank of Australia. The grant will strengthen the Reserve Bank's financial position to the level considered appropriate by the board of the Reserve Bank. This will ensure that the Reserve Bank is adequately resourced to conduct its monetary policy and foreign exchange operations in an environment of financial market volatility.

Second, this Bill would provide the Department of Immigration and Border Protection almost $750 million. This includes over $400 million for Offshore Processing of Illegal Maritime Arrivals, and $220 million to address the backlog of Illegal Maritime Arrivals.

Third, this Bill would provide the Department of Defence with just over $660 million reflecting four matters. Those are the increased funding for Defence's overseas operations, supplementation for foreign exchange movements, expenditure brought forward into 2013-2014 from the forward estimates, and the re-appropriation between Appropriation Acts of amounts to better align with Defence's current work programs.

Fourth, the Department of Foreign Affairs and Trade would receive almost $335 million. The majority of this amount is to administer official development assistance programs from the former AusAID, the functions of which were moved to the Department on 1 November 2013.

On more general matters, this Bill reflects the current names of Government Departments, consistent with the Administrative Arrangements Order of 18 September 2013. For example, the Bill proposes appropriations for the Department of Industry, instead of the former Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education.

Details of the proposed expenditure are set out in the Schedule to the Bill and the Portfolio Additional Estimates Statements tabled in the Parliament.

**Appropriation Bill (No. 4) 2013-2014**

Appropriation Bill (No. 4) 2013-2014, along with Appropriation Bill (No. 3) 2013-2014 which I introduced earlier, and Appropriation (Parliamentary Departments) Bill (No. 2) 2013 2014, are the Additional Estimates Appropriations Bills for this financial year.

This Bill seeks further approval for appropriations from the Consolidated Revenue Fund of just over $3.2 billion.

I now outline the major items provided for in this Bill.

First, the Department of Foreign Affairs and Trade would receive just under $2.2 billion once this Bill commences as an Act. This is primarily to administer official development assistance programmes which moved to the Department from AusAID, which was abolished on 1 November 2013.

Second, the Department of Immigration and Border Protection would be provided with almost $400 million for Offshore Asylum Seeker Management, including $180 million in capital funding announced.
in the Mid-Year Economic and Fiscal Outlook. This implements the Government's policy commitment
to process Illegal Maritime Arrivals offshore.

Third, this Bill would provide the Department of Defence with just over $235 million, reflecting
three matters. Those are the supplementation for foreign exchange movements, expenditure brought
forward into 2013 2014 from the forward estimates, and the re appropriation of amounts between
Appropriation Acts to better align with Defence's current work programmes.

Fourth, the Bill provides just over $3.3 million for payments to local government for the Liveable
Cities programme that is administered by the Department of Infrastructure and Regional Development.
Whilst this programme has been terminated, these payments represent the final amounts due. As
outlined in Schedule 1 of the Bill, the Minister for Infrastructure and Regional Development is
responsible for determining the relevant conditions and payments.

Details of the proposed expenditure are set out in the Schedules to the Bill and the Portfolio

Debate adjourned.

REGULATIONS AND DETERMINATIONS

Clean Energy Auction Revocation Determination 2014

Disallowance

Senator MILNE (Tasmania—Leader of the Australian Greens) (18:42): I move:

That the Clean Energy Auction Revocation Determination 2014 made under section 113(1) of the
Clean Energy Act 2011 be disallowed.

This is an incredibly important debate. We have in Australia an emissions trading scheme. It
will be of interest to the community that we actually have a legislated emissions trading
scheme in this country, which is currently operating under a fixed price period, and there is a
determination that it will go to a flexible price in 2015. That was exactly as we determined it
when it was legislated.

It has been the grossest lie of these last several years that what we have in Australia is a
carbon tax. We do not have a carbon tax; we never have had a carbon tax. We have had an
emissions trading scheme with a fixed price period going to flexible pricing. That is why it is
disgraceful to see those people out there suggesting that, if we suddenly get rid of what we
have, we will move to an emissions trading scheme—when we already have one. It is
legislated; it is the law in this country. I noticed today the disgraceful behaviour of the
Australian Chamber of Commerce and Industry, the Australian Industry Group, the Business
Council of Australia and the Minerals Council of Australia, all calling on the Senate to swiftly
repeal the carbon tax. They know as well as I know that there is no carbon tax in this country;
it is an emissions trading scheme.

Under the emissions trading scheme, in order to prepare to go to flexible pricing, we set up
a climate change authority which would recommend the target that be put in the legislation to
form the cap when we went to flexible pricing. Under the scheme, auctions for the floating
price period beginning on 1 July 2015 were required by law. The law established the schedule
for the first set of auctions required. The first set of auctions was to be in the coming months.
That is the point here. This was a regulation that gave effect to the law under our emissions
trading scheme to allow for auctions. You would agree to this regulation being overturned and
disappearing only if you did not think the emissions trading scheme would stay in place after
1 July this year. If you believed that it would stay in place, there is no way that you would abandon the auction schedule, because you would understand that polluters are required to buy permits and that they can buy them ahead by a couple of financial years before the floating price. That is why they were allowed to go into the auction this year, to buy ahead of the flexible price period in 2015. You would go along with a disallowance only if you thought the emissions trading scheme was going, and therefore that holding the auctions would not be necessary in the longer term.

It is completely ridiculous and dishonest for the former Prime Minister, Kevin Rudd, to stand up and say that he was going to get rid of the carbon tax and move to an emissions trading scheme. It had nothing to do with a tax. All he was doing was attempting to bring forward by one year the flexible pricing period, the trade. He could not do that under existing legislation because we do not have an agreed target. The whole point was to get the Climate Change Authority to recommend the target to the parliament, and the target would then be determined and put in the legislation. If he was going to go to the flexible pricing period one year early, he got away with not telling the Australian people in the election campaign what the target was going to be. Why didn't he come out and say that he was going to have his five per cent target? If that is what he intended to do, why didn't he tell people? The only reason there was no pressure on him at the time was that they had sold the lie that we had a carbon tax, so people did not understand what was being proposed in trying to bring the flexible pricing period forward by one year.

Now we do have a recommendation from the Climate Change Authority of 15 plus 4—19 per cent—by 2020, with a 40 to 60 per cent trajectory by 2030. In my view it is not enough; it should be higher than that. The reality is that we should have had a 25 to 40 per cent target back in 2007. We are now in 2014, with only six years to go until 2020. The 2030 target is the one that is really critical. If you are serious about wanting to go to flexible pricing, you should be putting that 40 to 60 per cent target in the legislation. But I have not heard a peep out of the Labor Party. When they go to flexible pricing, as they want to do, on 1 July 2014, what is the target that they are going to internalise in that price? When they do not have the numbers in the House of Representatives, how are they going to get from where we are now, in March, to flexible pricing by 1 July this year? Everyone knows that the whole business of the ALP bringing forward this motion to implement flexible pricing by 1 July 2014 is doomed to failure.

Their excuse for now not disallowing this regulation is: 'It doesn't matter, because when we bring on our flexible pricing scheme on 1 July 2014 we will bring in the regulation that supports it.' Well, how will they? They are not the government; they do not have the numbers. What we have now is the law. We have the law on our side. It is the law that we have an emissions trading scheme. We have a regulation that says the auctions will proceed. Unlike other people in this parliament, I do not believe that we are going to lose the clean energy future package after 1 July. That is why the Western Australian election is so important, because if we win back one seat from the conservatives we save the Clean Energy Finance Corporation, we save the Climate Change Authority and we hold up a mirror to this sham review of the RET that the government has busily brought in. If we win one seat, we will run a very strong argument on retaining the emissions trading scheme.
Let us not have any more nonsense in this debate. What we have here is the government trying to get rid of an emissions trading scheme that is the law, and they are trying to dismantle the auction process because they have already prejudged that they are going to get rid of this legislation post July.

Debate interrupted.

**DOCUMENTS**

**The ACTING DEPUTY PRESIDENT (Senator Whish-Wilson)** (18:50): Order! It being 6.50 pm, the Senate will proceed to the consideration of government documents.

**Productivity Commission**

Senator GALLACHER (South Australia) (18:50): I move:

That the Senate take note of the document.

I rise to take note of the Productivity Commission inquiry report No. 65, _Mineral and energy resource exploration_. The inquiry, commissioned by Assistant Treasurer Bradbury, was asked to examine the non-financial barriers to mineral and energy resource exploration in Australia. It was completed and the report was forwarded to the Treasurer, Mr Hockey.

This really is a bit of a mystery. In the ordinary course of business of the parliament, legislation on the Woomera Prohibited Area passed without contention in the House of Representatives, came into the Senate and was referred to a committee for inquiry. Subsequently, Senator Farrell introduced a private member's bill. That was deemed to be unacceptable, even though Senator Farrell indicated he would be amenable to any amendments that would get the job underway, so to speak. Now we find, in the words of one commentator, 'Woomera back on the launch pad', and I think the pun is intended. A newspaper report states:

MOVES to open up the Woomera Prohibited Area to explorers targeting a potential $35 billion in minerals has been sent back to the federal Parliament drawing board.

We are now looking at further inquiry, further delay and further indecision on an important issue for the whole of Australia, particularly South Australia. We now have a very unclear situation. No-one is really sure why this has been delayed, why it has been sent back to be dealt with in the autumn sittings, or why it has been necessary to redraft legislation which passed the House of Representatives without contention.

It has now been sent back to the launch pad. Clearly, a dissenting report by Labor senators on the committee said that they were disappointed there was no detail on the government's proposed alternative, and that the existing bill could well have been amended rather than throwing the whole process out.

The South Australian Chamber of Mines and Energy stated that the bill was sufficient in outlining the detail for a permitting system to rail operators. I will just highlight the contribution of Senator Johnston, the Minister for Defence, who threw in the furphy—in my view—that the population of the Northern Territory could well go without fruit, vegies and perishables because we would have to close the railway because we had not sorted out Defence. Well, Defence have been operating there for a very long time. And the railway has been there for a very long time. Before the continuous railway to Darwin, there has always been a rail to Alice. There was a trucking system that went from Alice up to around about...
Larrimah. That has been there for decades. There have not been any proven instances, other than those caused by weather, where people in the Northern Territory have run out of food. That was an extraordinary contribution.

What we really have here is that we need the jobs. We did not think that the non-financial barrier to mineral exploration and energy resources would be the Liberal government! No-one thought that. No-one thought that the Liberal government would be the non-financial barrier that we see presented here today, but that is the reality of it. They are presiding over job losses in the automotive industry and refusing to get on their bike, basically, and commit to getting $35 billion worth of mineral resource exploration underway—supported by Indigenous communities; supported by tremendous infrastructure investment in the surrounding region, in trade training centres and skilling people up to work in the mining industry. No-one ever thought that this government would be the non-financial barrier in the way of mineral exploration, but that is the absolute reality.

Woomera back on the launch pad; delayed until the autumn session of parliament. It is truly extraordinary that this government that tells us, 'We will get rid of red tape. Get out of the way, we are going to let business go.' is the non-financial barrier to this being successful.

I seek leave to continue my remarks later.

Leave granted.

Senator STERLE (Western Australia) (18:55): I also rise to speak on the Productivity Commission's Inquiry Report No.65: Mineral and Energy Resource Exploration. As we know, briefly: the government that we now have were quick to go to the last election with three-word slogans, whether it was talking about boats, or grown-ups in control or—another one that has got under my skin—is the non-financial barrier to $35 billion worth of exploration in a state that is already suffering from high youth unemployment. It is a situation where we need to be proactive, get on the front foot, open the place up, consult with the Indigenous owners, consult with the special interest groups, rejuvenate our regional economies and allow people to work. No-one would believe that the government is the non-financial barrier to this being successful.

I seek leave to continue my remarks later.

Leave granted.

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I seek leave to continue my remarks later.

Leave granted.
particular, but not limited to—iron ore. We had one project, where junior miners in the Mid West region, inland—for those not from WA—around Geraldton, where magnetite—the poorer cousin of haematite—which, although it is not a higher-quality ore, is the next big thing in Western Australia. I make no argument about that, especially when we talk about China and India's hunger for iron and steel. We had the Premier—who is the Premier still, Mr Colin Barnett—come out there and personally nail his colours to the mast in relation to building the Oakajee Port and Rail project. The Oakajee Port and Rail project was to build a deepwater port and rail in the Mid West region. He was out there announcing what a wonderful thing it was going to be, he went to an election with it, and he was going to be the driver of the project, and he was going to be the builder of all things great in Western Australia.

Around the same time, he was also talking about the Browse project, which is a Woodside project—Woodside is one of the proponents—to build an onshore gas facility at James Price Point north of Broome. I know my colleagues in the Greens will come out and scream about all the bad things about oil and gas, and how terrible it is to have an onshore gas facility, but there were a lot of benefits that were going to come with this project. One of the benefits was an Indigenous land use agreement to the value of $1.5 billion. But I have to tell you, Mr Acting Deputy President, I am coming from a selfish point of view: whatever will advance Indigenous peoples, particularly but not limited to the Kimberley, I am in. But I did have the good grace not to stick my nose into that business. That was a deal to be negotiated between our Indigenous owners and the proponents. And those in the environmental movement were all there, sticking up for the blackfella and looking after the poor blackfella who is going to be victimised by this gas plant and then, when that did not suit my blackfella mates, they turned on them and the rest is history; we know where that stands.

It suits certain parties to say 'the poor Aborigines were bullied'. Well, do you know what? They took a democratic vote. We know very well how democracy works—with 50 per cent plus one, you rule. When democracy goes your way, that is fine. But when it does not suit some people, the rest gets very murky. I do not want to take the pressure off Premier Barnett. He bulldozed his way in, pushed everyone aside and compulsorily acquired land at James Price Point. The Oakajee deepwater port near Geraldton is a $6-billion project; James Price Point is a potential onshore gas project—both projects where he came and stuck his bib in. I will tell you what he did do. He managed to absolutely blow out of the water any chance to see that development on James Price Point. He blew out of the water any chance for Indigenous improvement—jobs, education, roads and infrastructure. He also managed to tip out the Oakajee port.

One-word slogans are fantastic at elections when you are in opposition, but when you get into government you have to deliver. So far, the only thing this government has delivered is jobs offshore. They should be absolutely ashamed of themselves. The Australian people have the opportunity to be reminded of that, particularly in Western Australia in the next few weeks.

The ACTING DEPUTY PRESIDENT (Senator Whish-Wilson): Order! Senator Sterle, your time has expired.

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

Leave granted; debate adjourned.
ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Whish-Wilson) (19:02): Order! I propose the question:
That the Senate do now adjourn.

Whyalla Wig Library

Senator RUSTON (South Australia) (19:02): I am absolutely delighted to be able to stand here today and tell the Senate of a wonderful initiative that I had the pleasure of spending some time learning about last weekend. The Whyalla Wig Library is an initiative of the community of Whyalla. They have set up a wig library at their local hospital. It is for women in particular but also for men who are going through chemotherapy treatment. They can now borrow a wig, and all the things that go with it, so that during their treatment they do not have to go to the trouble and expense of going to Adelaide to buy themselves a wig. This initiative enabled them to access a wig reasonably cheaply. Anybody who has been touched by knowing somebody who has had to go through this treatment would know of the additional trauma they go through in just walking down the street. People cannot help but look at somebody who is bald or has a scarf around their head. This initiative enables those people to shield behind a wig so that their condition is not so obvious and confronting.

I would like to acknowledge a few of the wonderful people I met who are involved in this. Kate Kroll is the McGrath Sellers breast care nurse for Whyalla. It was Kate's idea that led to this initiative. Kate, who is 38 weeks pregnant, was extremely proud to be there on the day when we saw the wig library launched. I think the people of Whyalla will be thanking Kate for her initiative for many years to come. Whyalla Pink Spirits are a group of breast cancer survivors. As soon as they heard about this initiative, they jumped on board to give it some support. I think the community of Whyalla would extend a very big thank you to Whyalla Pink Spirits President, Rae Williams, and Secretary/Treasurer, Elizabeth Antilla, for the support they gave to Kate in the early stages of getting this initiative up and running.

The young tradespeople and professionals of Whyalla held a charity ball and the people of Whyalla came together and raised, absolutely amazingly, over $12,000 in start-up funding for this particular initiative. Chairperson Kayleigh Bruce was the one who started this initiative, and it was also a really wonderful example of bipartisan support for a project in the community. As everybody here knows, there is soon going to be an election in Tasmania and an election in South Australia. Lyn Breuer, the outgoing ALP local member for the state electorate of Giles, which includes Whyalla, was instrumental in supporting this project, as was her Liberal Party counterpart, and candidate for the upcoming election, Bernadette Abraham. Bernadette and Lyn got together and both supported this wonderful initiative. When these sorts of things come up, it certainly transcends any political boundaries.

It was also a very interesting initiative in that the two big manufacturing businesses in Whyalla—OneSteel and Arrium—also got behind the project. What they did was quite clever. These companies said to their employees that, for every day their workplaces were accident- and injury-free, they would make a donation to this particular cause. In the 12 months
between the idea of the wig library first being put on the table and its launch last week, Arrium and OneSteel put $5,000 towards it. When I talked to them about what it had achieved for them, they were really happy. The incentive to keep the workplace safe was a good thing and they were very pleased that they were able to assist this worthy project with $5,000. They also had a massive amount of support from the community and from other supporters, including Bonney Wigs. I mention Bonney Wigs particularly because they are an Adelaide-based company. They donated a huge number of wigs to this operation so that the project could have a start-up—because anybody who has ever tried to buy a wig would realise how terribly expensive they are.

_Senator Ludwig interjecting—_

**Senator RUSTON:** Senator Ludwig is shaking his head. Senator, we know that you do not have a wig! They have already managed to get 60 wigs either from the generosity of Bonney Wigs or through donations from people in the community, many of whom were previously cancer sufferers. They bought their own wigs, then realised just how important the experience that they had was, and have now donated their wigs, which they no longer need. The Whyalla Hospital and Health Services have provided them with a home, so the wig collection is contained within the health services at the new Whyalla hospital. It is easily accessed and right next to the chemotherapy unit. The Whyalla council has also added its support and has been very active in promoting and supporting the initiative.

In conclusion, this is an amazing initiative. It is so important to put on the record what a great initiative it is and, hopefully, to encourage other regional communities to do likewise. Until I started speaking to some of these cancer sufferers who are undergoing treatment, I do not think I realised just how much of a hassle it is and how hard it is for them when they have to keep going back to capital cities, either for their treatment or to see their oncologists. To go to Adelaide to buy a wig is just one more trip, one more expense and one more upheaval at a time when things are difficult enough for them. It really brought home to me the importance of decentralisation of health services to our country areas so that we can ensure, as much as we can, that people can have treatment at home, so that their lives are not disrupted and they are not put through any more trauma than necessary, and also to ensure that they can have ongoing access to their families. A tremendously important point needs to be made that people who live in the country are significantly disadvantaged when they have to undertake health care in the city. I would just put that on the record.

Another thing that is really obvious in Whyalla—and it is obvious in some of the other regional areas—is the difficulty of getting medical staff. The Whyalla community made the comment that they had had a level of difficulty in attracting relevant specialists. It is all well and good to build beautiful new buildings, as we have seen in many regional areas, but they are not much use unless you can get health services and allied services operating for the benefit of those communities.

I commend to this place the initiative of the group of people and the Whyalla community. I would also like to acknowledge the women and men of Australia who have gone through a tough time. One of the issues that we discussed in Whyalla was the fact that women are very good at supporting other women under these circumstances, but often men who undergo similar treatments are not necessarily so strong at supporting their fellow men. The women who put this initiative together are also seeking to ensure that this library is available to men.
It is not just a place where you go to get a wig, scarf and the like; it is also a place where people who are suffering can get support from people who are suffering equally from this very unfortunate but, these days, largely curable, disease.

I would just like to put on the record my thanks to the people of Whyalla for doing this and for setting an example. Can I suggest to other communities around Australia that they get in touch with the Whyalla community and find out what they have done because the initiative, even though it is only a few weeks old, has already helped a number of people and allowed them just one less trauma in their treatment, as they fight to survive cancer.

**Regional Queensland**

**Senator LUDWIG** (Queensland) (19:12): Can I say that I wish to associate myself with the remarks of Senator Ruston about the Whyalla Wig Library. It is certainly a very important initiative for Whyalla and I congratulate them on it.

I rise tonight to speak about regional visits that I have recently undertaken across Queensland. Over the past months I have had the opportunity of travelling across the state, visiting regional communities, and engaging with local chambers of commerce, local governments and local industries. These visits across the state help provide me with insight as I continue to engage with the constituents of Queensland, to see their issues firsthand and to provide support or bring attention to particular matters.

This evening I want to take the opportunity of providing an insight to the Senate on some of these visits to Queensland, including to St George, Goondiwindi and Cairns. About three weeks ago, I looked at the drought conditions across western Queensland and in St George. It was plain then that local farmers were under pressure. I had the opportunity to speak directly to affected local residents and small-business owners about the challenges that they are facing as a result of the ongoing drought in regional Queensland. What is often forgotten is that this particular part of Queensland has been in a constant state of natural climate variability, and often disaster, for more than a decade. The 2011 floods were seen as the end point of the decade-long drought that had ravaged Queensland's regional communities. The severe floods brought with them destruction and further loss of income for farmers and small businesses. What these flooding events did not do was bring an end to the cycle of dry and wet spells. Reports that I had the opportunity of listening to in St George confirmed that it had not received solid rain since the floods of 2012—that is almost two years without a good season for farmers, off the back of two seasons of floods. The impact on the community is severe and is continuing to be felt by almost all aspects of the local community. Something needs to be done to help these small communities, in particular, to build resilience and recover from these devastating circumstances. The people I had an opportunity to speak with do not want to rely on handouts; they do not want to rely on the government constantly. What they want is to have enough resilience to overcome severe weather events on their own. That is why the government needs to look at long-term solutions to provide certainty to these communities.

The former government put in place the foundations of these long-term reforms by signing a national partnership agreement on drought support with every state and territory. This was a two-way deal with the states; the Commonwealth would provide household payments, and the states would present detailed in-drought support packages. This would work in conjunction with short-term relief for financially struggling producers with the low-interest farm finance loans scheme. After signing that agreement, the Australian government's job was to cajole,
encourage and remind the states of their side of the bargain, and to extract firm management plans and commitments to help struggling farmers.

Unfortunately, almost six months into the life of the Abbott government, Minister Joyce appears to have sat on his hands and has not progressed true drought reform and assistance across the states and territories. The signals he has sent so far to rural Australia have been mixed at best. He has said no to investment through the GrainCorp decision; he has sat on his hands in managing the drought conditions; and when he finally was brought kicking and screaming into action, his only solution was to expand the debt package we had put in place while in government. To say that this minister is stuck in the mud is an understatement, and it is being reflected in the regions, including his old town of St George.

I would like to acknowledge the Mayor of the Balonne Shire Council, Councillor Donna Stewart, for giving me a briefing on the situation in the shire and for all the work she has done in standing up for her local community. I also had a productive meeting with members of the local chamber of commerce. The impact on the 300 or so small businesses in the region is substantial, given the duration of the drought in this region. Some of the ideas that came out of the meeting were the expansion of rural financial counselling services to provide advice and support to businesses in the community. I expanded that service in government, and it now needs to develop to suit the needs of the present time. This should also include support for mental health and social services. I understand the present government is pursuing some of that work, and I would encourage them to look at this area even further.

I have also had the opportunity to meet with the Border Rivers Chamber of Commerce in Goondiwindi. We had a good discussion about the challenges and opportunities in that region, and it was particularly pleasing to hear how the positive impact of tourism was helping Goondiwindi. The fact that Gundy is a major stop for people travelling between New South Wales and Queensland, especially the caravanning community, does provide much-needed input and revenue for the town.

I had a meeting with Goondiwindi Regional Council Mayor, Councillor Graeme Scheu, and the CEO, Carl Manton, to talk about some of the plans for opening up the area to more economic development, as well as its recovery post-floods. And I had the opportunity to visit a GrainCorp facility in town and to talk to workers and management about the great work they are doing to expand its operations, thereby supporting local jobs in the region. Seeing that facility firsthand was again a reminder of the importance of boosting investment in our agricultural businesses and the failure of the Abbott government to stand up for investment in our regions.

One of the regional visits I had the opportunity to undertake was to Cairns—the farthest major city from Brisbane. But, again, it is about growth in those economic regions; it is about talking to the regions about the potential role tourism and other industries can play. Cairns mayor Bob Manning and I spoke about the development opportunities with the Aquis project at Yorkeys Knob and what that could mean for the local communities in terms of jobs and tourist opportunities. It is a huge project that is still in its infancy and sounds very exciting for Cairns. There are many planning and environmental issues that need to be taken into account, which I understand is in the hands of the state government at the moment, and I would encourage them to continue to work with the local community to find solutions.
There is a sense of excitement in the community about this project and the potential benefits it could bring to the regional economy. Of course, the coming meeting of G20 finance ministers and central bank governors in Cairns will continue to showcase the north to the world. Senator McLucas and the Queensland state member for Mulgrave, Curtis Pitt, found time to meet with me and discuss the impact of the Newman government's cuts in this area. They have cut deep and hard in regional communities. The Abbott government's 'Commission of Cuts' is the last thing this community needs after a slow recovery in its tourism sector, but still the axe looms over Cairns—as it does over many parts of Queensland. Unemployment continues to be an issue in Cairns, particularly youth unemployment, which was further exacerbated by the Newman government's sacking of more than 14,000 workers. And of course this does not include the countless jobs lost in the NGO sector after having their funding and programs cut as well. But when you talk to residents and local Labor Party branch members in the region you hear firsthand the hard impacts these cuts are having on the community. They raise a number of concerns, including what a GP tax on Medicare would do to the cost of living in some of these regions.

In conclusion, throughout these visits through different parts of Queensland there is a common theme emerging. People are seeing a different government and different policies to the ones they were promised. This is true in relation to both the Newman and the Abbott governments. The severe cuts to services and programs by the Newman government have been widely canvassed, but the Abbott government's ineptitude has taken a little while to become clear. It is incredible that it has taken the Abbott government more than five months to say anything or produce a policy of any sort to support our farmers and their communities that have been affected by the drought.

Montara Oil Spill

Senator SIEWERT (Western Australia—Australian Greens Whip) (19:22): I rise tonight to talk about an issue that I have not talked about for some time in this chamber—that is, the impact of the Montara oil spill.

Last month I visited East Nusa Tenggara, West Timor, to meet with officials, with fishers, with community members and with seaweed farmers. It looks like the Montara oil spill has had a significant impact on those communities—and I will go into that shortly. But, before I do, I would like to remind us about where this started—and that was on 21 August 2009, when the Montara wellhead exploded in the Australian waters of the Timor Sea and spilt thousands and thousands of litres of oil into the ocean. How much oil, we do not know, because it was never officially measured.

That oil gushed unchecked until 3 November, for 74 days. The oil was carried quite long distances by the currents and the sheen upon the ocean, at various times, affected areas as large as 90,000 square kilometres. It was the largest offshore oil platform spill in Australia's history and AMSA, the Australian Maritime Safety Authority, used dispersants on the oil—184,135 litres of dispersants, they said at estimates. Some of those dispersants, such as Corexit 9527A and 9500A, that were used have subsequently been shown to be much more highly toxic than people had thought. They have been linked to damage to human and marine life and with severe health consequences. Those dispersants were also used in the deep-water Horizon spill in the Gulf of Mexico.
Just to remind the chamber: in 2010 the report of the Montara Commission of Inquiry, established by the Australian government, found that the way the company responsible, PTTEP Australasia, operated the Montara oilfield:

… did not come within a ‘bull’s roar’ of sensible oilfield practice.

The Blowout was not a reflection of one unfortunate incident, or of bad luck.

What happened … was an accident waiting to happen …

PTTEP have subsequently been fined and have had to put in place an action plan to address the bad and poor practices that resulted in this spill. In fact, the previous government significantly amended the oil and gas regulations in Australia. I will remind the chamber that the Northern Territory government at that time was responsible for the regulation and the inquiry also found very poor management of the regulatory process, and that has also changed.

At the time it was established that the oil spill did go into Indonesian waters. At first there was some dispute with the company about whether that had in fact happened. Fortunately, satellite imagery—not provided by the government or the company but by SkyTruth—clearly established that. The local community in Nusa Tenggara also provided some oil samples, which I then provided to the commission of inquiry, and it was established that oil that had gone into Indonesian waters was in fact oil from the Montara oil spill.

What was not tracked, nor I think understood at the time, is that the use of the dispersants with the oil creates what they call a mousse—it changes the particles and, for a start, drops them off the surface into the water profile but also apparently creates a mousse that causes the spread of the oil and the damage much further. I did speak about this in the chamber on several occasions: at the time, the people of Roti and of East Nusa Tenggara also highlighted that they were extremely concerned about the impact of the oil spill not only on fishers, who are legally allowed to fish in the area that was affected by the oil, but also on seaweed farms.

The Australian government worked with the company to ensure that there were studies done in Australian waters. Unfortunately, there were no studies done in Indonesian waters—so we have no understanding of what impact this spill had on Indonesian waters, on the fish stocks in Indonesian waters, on Roti and on East Nusa Tenggara. I was invited to speak at a seminar two weeks ago in West Timor, which I very fortunately was able to attend. At that time I also met with communities. I went to a community called Tablolong, where 800 concerned community members came to a public meeting. It was held in a church, and in fact there were many people outside. I got to hear their accounts of what has happened to them and the impact that has been felt by their communities.

Some of the communities have fairly recently gone into seaweed farming as a way of earning income. I heard how their production had fallen very significantly from, for example in the village where I met the community, 500 tonnes production of seaweed to 10 tonnes. I heard from the regional fisheries officer how production of fish had gone from what was originally around 180,000 tonnes down to 70,000 tonnes. I heard from the fishers how red snapper, lobster and sardines could not be fished—they could not catch those—and in fact have had to change their fishing grounds. Instead of having to travel two days to their fishing grounds they now have to take up to seven days. I heard how the number of fishing boats had reduced significantly in many of these villages, from hundreds to less than a hundred. I heard how fishers had lost their jobs because they could no longer fish. What has happened is that
the production has dropped right off. There is now a scaly disease on the seaweed farms, and people are no longer able to make their livelihoods from seaweed farming.

As I have articulated, fishers are no longer able to fish. You could tell that Tablolong, the village in which we had the public meeting, was once a very prosperous village because of seaweed farming. Other villages as well were very prosperous. You could see they were in decline because they could no longer either fish or farm seaweed.

We do not know if the Montara oil spill and the dispersants have caused this damage. We do not know whether the mousse I was talking about, or the dispersants, or the oil, has impacted on these villages—on their fishing and on their seaweed farms. But we owe it to these communities to have a look. The message of the communities to me was to please ask the Australian government to take some leadership here. Please ask them to require a study to be undertaken. I believe it is incumbent upon the Australian government to take that leadership, because it resulted from failures in our regulatory practice, and gross failures on the company's part. Therefore, the company has a responsibility. But if they are not going to take up their responsibilities we need leadership by the Australian government to require a study on what the impacts are.

I heard from experts at the seminar I attended that you could do the studies and establish whether the oil and dispersants have had an impact. Using particular markers you can see whether they are still in the marine environment and still in the sediments and have had an impact. We owe it to those communities to carry out these studies. I urge the Australian government to take some leadership here and I desperately urge the company, PTTEP Australasia, to please talk to these fishers and put money into a study to establish what has really happened to these villages.

Agricultural Competitiveness White Paper

Senator McKENZIE (Victoria—Nationals Whip in the Senate) (19:32): I rise this evening to briefly talk about the coalition's agricultural competitiveness white paper, which is designed to ensure a vibrant, innovative and competitive agricultural sector, by making sure industry can make the most of the opportunities that lay ahead. We have now announced the first step in public consultation on the white paper, by releasing the issues paper. Today in Bendigo, a town of 100,000 in the centre of Victoria, a round table forum was held between officials of the taskforce established to develop the white paper, farmers and other stakeholders, to start the discussion about how we actually ensure that our agricultural sector, our communities, the skills sets that underpin it and our industry are best placed to take advantage of all that the 21st century offers Australia.

We have a strong and proud tradition in this country of building our national competitiveness, and our national financial security indeed, on the back of regional Australia and on the back of our agricultural industries. I do not see why that should change. Maybe the way we do that will change. How we do it and who we engage with will change. The types of skills we need in order to do it will change. Maybe even the types of investments we have to make will change. But the fact will remain that much of our economic stability and our future will result from a strong agricultural sector and a strong regional economy.

To a lot of people greater Bendigo, as a regional city, is famous for its art gallery, its Grace Kelly exhibition, its universities and its diverse economy. Agricultural output in 2010-11 was
$133 million, which increased from $105 million in 2005-06. The largest sector within the agricultural industry was livestock slaughtering. There are issues that have been canvassed here and in other places, and indeed in many Senate committee inquiries, to do with skill shortages, particularly for abattoirs and slaughterhouses, and to do with the effect the carbon tax has on this industry. In fact, that particular sector of the agricultural industry accounts for almost 58 per cent by value of the City of Greater Bendigo's total agricultural output. Right around the city we are surrounded by regional areas where we have intensive farming industries, such as cider, apples and poultry, not to mention dairy, which is a bit further out.

The roundtable that was held today was a fantastic opportunity for farmers and agribusinesses more generally in central Victoria to raise their concerns and have their voices heard in what is the first step in the development of a comprehensive understanding of how to ensure that agribusinesses and agricultural industry are best placed to be competitive. That means we are going to need to have some tough conversations about what makes us uncompetitive in the 21st century. I note Senator Colbeck and Senator Ruston are both in the chamber tonight. They are both passionate advocates for agriculture and agribusiness, particularly.

Some of the issues I am going to speak briefly about tonight stem from a report, chaired by Senator Colbeck, into the food processing sector. The serious challenges posed include skills sets and skills development and food processing, if I could turn to that sector of the industry for just a moment. The 2012 inquiry found:

… the food processing industry employed some 194 300 people across about 10 000 businesses.

So we are talking about a lot of people. In food processing I think it is around 350,000 nationwide, most of them in regional areas. The sector has been experiencing the combined effects of the high Australian dollar, skills shortages and a lack of investment in research and development. One of the things we found throughout the inquiry, which I hope the white paper goes to, is the fact that in universities it is not sexy to study food processing or food technology. Senator Urquhart, who also worked in the food-processing industry in Tasmania before she arrived here, can attest to the fact that it is not sexy to study food technology. But in the 21st century it is a creative and innovative space where you can combine chemistry and artistic endeavour and create the products and the produce of the future. It is a quite exciting place. We need to get young people turned on to the exciting opportunities available to them in agribusiness going forward.

I have severely strayed off my discussion of the agricultural competitiveness white paper. The coalition is committed to placing agriculture in the national skills list and to providing $2 million for agricultural education to help teachers inform young school students about where food and fibre come from. It is essential that young people have a much better understanding of the role that agriculture, farmers and their communities play in putting clean, green produce in front of them every night, rather than assume that somehow farmers are the environmental vandals. The land management practices that farmers function in mean that our produce is the cleanest and greenest in the world.

We are absolutely committed to getting out there because, unlike the Labor Party, we know that the real understanding of how to address competitiveness issues within the industry does not lie in the Senate, does not lie in the House of Representatives and does not lie with the very small subsection of the Australian community that works in this place but is found...
within the community and businesses themselves. They know what they need to make themselves more competitive on the domestic and the international markets. We are committed to getting out in the regions and hearing from them about how we can get the policy mixes right, which is our responsibility, so that they can get on with doing what they do best, which is growing that clean, green produce.

It is important because every year our farmers grow around $50 billion worth of produce. We export 60 per cent of what we grow and that earned the country $32.5 billion in 2010-11. So it is important for us to get these policy settings right. The issues paper is the first step in consultation on the development of the white paper, which we hope will be released by the end of 2014. The issues paper will form the development of the green paper, which we hope to have ready by mid-2014. It is about getting out there amongst the people and hearing their solutions to the very real challenges affecting our exporters. The white paper will identify the way that we can grow farm profits. We will look at food security and will address the issues involved in the cost of doing business.

We have been in government for six months. We were elected to get rid of the carbon tax, which is a direct impost on the cost of doing business in this nation, particularly for regional Australia and the food-processing sector. Come July 2014, our logistics and transport—how we get our product to the port—will be similarly affected. We want to look at taxes and the impost of government on the cost of doing business—not just direct costs such as the carbon tax but the cost that the regulation burden adds to doing business. There is the cost of environmental legislation, and the types of chemicals we can and cannot use add costs to our businesses and add to our competitive disadvantage. We need to look at environmental standards and tax regimes—how we structure our tax arrangements—and the reviews we can make within that area of our economy to assist the competitiveness of the agricultural industry. And there is industrial relations reform and skill development, as I mentioned earlier. Time and time again in the regions we hear that young men and women in farming communities are not coming home—they do not want to run the dairy farm; they do not want to run the wheat farm. Why? Because there is not a dollar in it. If you make it worth their while economically, our communities will be strong, moving not only their local community forward but, indeed, our nation.

DOCUMENTS
Consideration

The government documents tabled today and general business orders of the day No 2 relating to government documents were called on but no motion was moved.


Senate adjourned at 19:42

DOCUMENTS
Tabling

The following documents were tabled by the Clerk:
[Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number. An explanatory statement is tabled with an instrument unless otherwise indicated by an asterisk.]


**Tabling**

The following government documents were tabled:


Government response to Ombudsman’s reports, dated 27 February 2014.


**Indexed Lists of Departmental and Agency Files**

The following documents were tabled pursuant to the order of the Senate of 30 May 1996, as amended:

Indexed lists of departmental and agency files for the period 1 July to 31 December 2013—Statements of compliance—

Agriculture portfolio.

Health portfolio.

**Order for the Production of Documents**

The Assistant Treasurer (Senator Sinodinos) tabled the following document:

Finance—National Commission of Audit reports—Letter to the President of the Senate from the Minister for Finance (Senator Cormann) responding to the order of the Senate of 4 March 2014 and raising a public interesting immunity claim, dated 4 March 2014.