INTERNET
The Journals of the Senate are available at

Proof and Official Hansards for the House of Representatives,
the Senate and committee hearings are available at

For searching purposes use
http://parlinfo.aph.gov.au

SITTING DAYS—2014

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>11, 12, 13</td>
</tr>
<tr>
<td>March</td>
<td>3, 4, 5, 6, 17, 18, 19, 20, 24, 25, 26, 27</td>
</tr>
<tr>
<td>May</td>
<td>13, 14, 15</td>
</tr>
<tr>
<td>June</td>
<td>16, 17, 18, 19, 23, 24, 25, 26</td>
</tr>
<tr>
<td>July</td>
<td>7, 8, 9, 10, 14, 15, 16, 17</td>
</tr>
<tr>
<td>August</td>
<td>26, 27, 28</td>
</tr>
<tr>
<td>September</td>
<td>1, 2, 3, 4, 22, 23, 24, 25, 30</td>
</tr>
<tr>
<td>October</td>
<td>1, 2, 27, 28, 29, 30</td>
</tr>
<tr>
<td>November</td>
<td>17, 18, 19, 24, 25, 26, 27</td>
</tr>
<tr>
<td>December</td>
<td>1, 2, 3, 4</td>
</tr>
</tbody>
</table>

RADIO BROADCASTS
Broadcasts of proceedings of the Parliament can be heard on ABC NewsRadio in the capital cities on:

- ADELAIDE 972AM
- BRISBANE 936AM
- CANBERRA 103.9FM
- DARWIN 102.5FM
- HOBART 747AM
- MELBOURNE 1026AM
- PERTH 585AM
- SYDNEY 630AM

For information regarding frequencies in other locations please visit
http://www.abc.net.au/newsradio/listen/frequencies.htm
FORTY-FOURTH PARLIAMENT
FIRST SESSION—FOURTH PERIOD

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

Senate Office holders
President—Senator Hon. Stephen Parry
Deputy President and Chair of Committees—Senator Gavin Mark Marshall
Temporary Chairs of Committees—Senators Christopher John Back, Cory Bernardi, Sam Dastyari, Sean Edwards, Alexander McEachian Gallacher, Susan Lines, Deborah Mary O’Neill, Nova Maree Peris OAM, Dean Anthony Smith, Zdenko Matthew Seselja, Glenn Sterle, Peter Stuart Whish-Wilson and John Reginald Williams
Leader of the Government in the Senate—Senator Hon. Eric Abetz
Deputy Leader of the Government in the Senate—Senator Hon. George Henry Brandis QC
Leader of the Opposition in the Senate—Senator the 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 Opposition in the Senate—Senator the Hon Penny Wong
Deputy Leader of the Opposition in the Senate—Senator the Hon Stephen Conroy
Leader of the Australian Greens—Senator Christine Anne Milne
Leader of the Palmer United Party in the Senate—Senator Glenn Patrick Lazarus
Chief Government Whip—Senator David Christopher Bushby
Deputy Government Whips—Senators David Julian Fawcett and Anne Sowerby Ruston
The Nationals Whip—Senator Barry James O’Sullivan
Chief Opposition Whip—Senator Anne McEwen
Deputy Opposition Whips—Senators Catryna Louise Bilyk and Anne Elizabeth Urquhart
Australian Greens Whip—Senator Rachel Siewert
Palmer United Party Whip—Senator Zhenya Wang

Printed by authority of the Senate
### Members of the Senate

<table>
<thead>
<tr>
<th>Senator</th>
<th>State or Territory</th>
<th>Term expires</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abetz, Hon. Eric</td>
<td>TAS</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Back, Christopher John</td>
<td>WA</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Bernardi, Cory</td>
<td>SA</td>
<td>30.6.2020</td>
<td>LP</td>
</tr>
<tr>
<td>Bilyk, Catryna Louise</td>
<td>TAS</td>
<td>30.6.2020</td>
<td>ALP</td>
</tr>
<tr>
<td>Birmingham, Hon. Simon John</td>
<td>SA</td>
<td>30.6.2020</td>
<td>LP</td>
</tr>
<tr>
<td>Brandis, Hon. George Henry, QC</td>
<td>QLD</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Brown, Carol Louise</td>
<td>TAS</td>
<td>30.6.2020</td>
<td>ALP</td>
</tr>
<tr>
<td>Bullock, Joseph Warrington</td>
<td>WA</td>
<td>30.6.2020</td>
<td>ALP</td>
</tr>
<tr>
<td>Bushby, David Christopher</td>
<td>TAS</td>
<td>30.6.2020</td>
<td>LP</td>
</tr>
<tr>
<td>Cameron, Hon. Douglas Niven</td>
<td>NSW</td>
<td>30.6.2020</td>
<td>ALP</td>
</tr>
<tr>
<td>Canavan, Matthew James</td>
<td>QLD</td>
<td>30.6.2020</td>
<td>LNP</td>
</tr>
<tr>
<td>Carr, Hon. Kim John</td>
<td>VIC</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Cash, Hon. Michaelia Clare</td>
<td>WA</td>
<td>30.6.2020</td>
<td>LP</td>
</tr>
<tr>
<td>Colbeck, Hon. Richard Mansell</td>
<td>TAS</td>
<td>30.6.2020</td>
<td>LP</td>
</tr>
<tr>
<td>Collins, Hon. Jacinta Mary Ann</td>
<td>VIC</td>
<td>30.6.2020</td>
<td>ALP</td>
</tr>
<tr>
<td>Conroy, Hon. Stephen Michael</td>
<td>VIC</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Cormann, Hon. Mathias Hubert Paul</td>
<td>WA</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Dastyari, Sam</td>
<td>NSW</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Day, Robert John</td>
<td>SA</td>
<td>30.6.2020</td>
<td>FFP</td>
</tr>
<tr>
<td>Di Natale, Richard</td>
<td>VIC</td>
<td>30.6.2017</td>
<td>AG</td>
</tr>
<tr>
<td>Edwards, Sean</td>
<td>SA</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Faulkner, Hon. John Philip</td>
<td>NSW</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Fawcett, David Julian</td>
<td>SA</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Fierravanti-Wells, Hon. Concetta Anna</td>
<td>NSW</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Fifield, Hon. Mitchell Peter</td>
<td>VIC</td>
<td>30.6.2020</td>
<td>LP</td>
</tr>
<tr>
<td>Gallacher, Alexander McEachian</td>
<td>SA</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Hanson-Young, Sarah Coral</td>
<td>SA</td>
<td>30.6.2020</td>
<td>AG</td>
</tr>
<tr>
<td>Heffernan, Hon. William Daniel</td>
<td>NSW</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Johnston, Hon. David Albert Lloyd</td>
<td>WA</td>
<td>30.6.2020</td>
<td>LP</td>
</tr>
<tr>
<td>Ketter, Christopher Ronald</td>
<td>QLD</td>
<td>30.6.2020</td>
<td>ALP</td>
</tr>
<tr>
<td>Lambie, Jacqui</td>
<td>TAS</td>
<td>30.6.2020</td>
<td>IND</td>
</tr>
<tr>
<td>Lazarus, Glenn Patrick</td>
<td>QLD</td>
<td>30.6.2020</td>
<td>PUP</td>
</tr>
<tr>
<td>Leyonhjelm, David Ean</td>
<td>NSW</td>
<td>30.6.2020</td>
<td>LDP</td>
</tr>
<tr>
<td>Lines, Susan</td>
<td>WA</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Ludlam, Scott</td>
<td>WA</td>
<td>30.6.2020</td>
<td>AG</td>
</tr>
<tr>
<td>Lundy, Kate Alexandra</td>
<td>ACT</td>
<td></td>
<td>ALP</td>
</tr>
<tr>
<td>Macdonald, Hon. Ian Douglas</td>
<td>QLD</td>
<td>30.6.2020</td>
<td>LP</td>
</tr>
<tr>
<td>Madigan, John Joseph</td>
<td>VIC</td>
<td>30.6.2017</td>
<td>IND</td>
</tr>
<tr>
<td>Marshall, Gavin Mark</td>
<td>VIC</td>
<td>30.6.2020</td>
<td>ALP</td>
</tr>
<tr>
<td>Mason, Hon. Brett John</td>
<td>QLD</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>McEwen, Anne</td>
<td>SA</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>McGrath, James</td>
<td>QLD</td>
<td>30.6.2020</td>
<td>LNP</td>
</tr>
<tr>
<td>McKenzie, Bridget</td>
<td>VIC</td>
<td>30.6.2017</td>
<td>NATS</td>
</tr>
<tr>
<td>McLucas, Hon. Jan Elizabeth</td>
<td>QLD</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Milne, Christine Anne</td>
<td>TAS</td>
<td>30.6.2017</td>
<td>AG</td>
</tr>
<tr>
<td>Moore, Claire Mary</td>
<td>QLD</td>
<td>30.6.2020</td>
<td>ALP</td>
</tr>
<tr>
<td>Muir, Ricky Lee</td>
<td>VIC</td>
<td>30.6.2020</td>
<td>AMEP</td>
</tr>
<tr>
<td>Nash, Hon. Fiona Joy</td>
<td>NSW</td>
<td>30.6.2017</td>
<td>NATS</td>
</tr>
<tr>
<td>Senator</td>
<td>State or Territory</td>
<td>Term expires</td>
<td>Party</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>--------------------</td>
<td>--------------</td>
<td>---------</td>
</tr>
<tr>
<td>O’Neill, Deborah Mary (1)</td>
<td>NSW</td>
<td>30.6.2020</td>
<td>ALP</td>
</tr>
<tr>
<td>O’Sullivan, Barry James</td>
<td>QLD</td>
<td>30.6.2020</td>
<td>NATS</td>
</tr>
<tr>
<td>Parry, Stephen Shane</td>
<td>TAS</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Payne, Hon. Marise Ann</td>
<td>NSW</td>
<td>30.6.2020</td>
<td>LP</td>
</tr>
<tr>
<td>Peris, Nova Marie OAM</td>
<td>NT</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Polley, Helen Beatrice</td>
<td>TAS</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Reynolds, Linda Karen CSC</td>
<td>WA</td>
<td>30.6.2020</td>
<td>LP</td>
</tr>
<tr>
<td>Rhiannon, Lee</td>
<td>NSW</td>
<td>30.6.2017</td>
<td>AG</td>
</tr>
<tr>
<td>Rice, Janet Elizabeth</td>
<td>VIC</td>
<td>30.6.2020</td>
<td>AG</td>
</tr>
<tr>
<td>Ronaldson, Hon. Michael</td>
<td>VIC</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Ruston, Anne Sowerby</td>
<td>SA</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Ryan, Hon. Scott Michael</td>
<td>VIC</td>
<td>30.6.2020</td>
<td>LP</td>
</tr>
<tr>
<td>Scullion, Hon. Nigel Gregory</td>
<td>NT</td>
<td>30.6.2020</td>
<td>CLP</td>
</tr>
<tr>
<td>Seselja, Zdenko Matthew</td>
<td>ACT</td>
<td></td>
<td>LP</td>
</tr>
<tr>
<td>Siewert, Rachel Mary</td>
<td>WA</td>
<td>30.6.2017</td>
<td>AG</td>
</tr>
<tr>
<td>Singh, Hon. Lisa Maria</td>
<td>TAS</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Sinodinos, Hon. Arthur</td>
<td>NSW</td>
<td>30.6.2020</td>
<td>LP</td>
</tr>
<tr>
<td>Smith, Dean Anthony</td>
<td>WA</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Sterle, Glenn</td>
<td>WA</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Urquhart, Anne Elizabeth</td>
<td>TAS</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Wang, Zhenya</td>
<td>WA</td>
<td>30.6.2020</td>
<td>PUP</td>
</tr>
<tr>
<td>Waters, Larissa Joy</td>
<td>QLD</td>
<td>30.6.2017</td>
<td>AG</td>
</tr>
<tr>
<td>Whish-Wilson, Peter Stuart</td>
<td>TAS</td>
<td>30.6.2020</td>
<td>AG</td>
</tr>
<tr>
<td>Williams, John Reginald</td>
<td>NSW</td>
<td>30.6.2020</td>
<td>NATS</td>
</tr>
<tr>
<td>Wong, Hon. Penelope Ying Yen</td>
<td>SA</td>
<td>30.6.2020</td>
<td>ALP</td>
</tr>
<tr>
<td>Wright, Penelope Lesley</td>
<td>SA</td>
<td>30.6.2017</td>
<td>AG</td>
</tr>
<tr>
<td>Xenophon, Nicholas</td>
<td>SA</td>
<td>30.6.2020</td>
<td>IND</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Territory</th>
<th>Senator</th>
<th>Party</th>
<th>Senator</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Capital Territory</td>
<td>Lundy, K.</td>
<td>ALP</td>
<td>Seselja, Z.M.</td>
<td>LP</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>Scullion, N. G.</td>
<td>CLP</td>
<td>Peris, N. M.</td>
<td>ALP</td>
</tr>
</tbody>
</table>

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

**PARTY ABBREVIATIONS**

AG—Australian Greens; ALP—Australian Labor Party;
AMEP—Australian Motoring Enthusiast Party; CLP—Country Liberal Party;
DLP—Democratic Labour Party; FFP—Family First Party; IND—Independent,
LDP—Liberal Democratic Party; LNP—Liberal National Party; LP—Liberal Party of Australia;
NATS—The Nationals; PUP—Palmer United Party
Heads of Parliamentary Departments
Clerk of the Senate—R Laing
Clerk of the House of Representatives—D Elder
Secretary, Department of Parliamentary Services—C Mills
Parliamentary Budget Officer—P Bowen
<table>
<thead>
<tr>
<th>Title</th>
<th>Minister</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ABBOTT MINISTRY</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Prime Minister</strong></td>
<td>The Hon Tony Abbott MP</td>
</tr>
<tr>
<td><strong>Minister for Indigenous Affairs</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Minister for Infrastructure and Regional Development</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Minister for Foreign Affairs</strong></td>
<td>The Hon Julie Bishop MP</td>
</tr>
<tr>
<td><strong>Minister for Trade and Investment</strong></td>
<td>The Hon Andrew Robb AO MP</td>
</tr>
<tr>
<td><strong>Minister for Employment</strong></td>
<td>Senator the Hon Eric Abetz</td>
</tr>
<tr>
<td><strong>Attorney-General</strong></td>
<td>The Hon Michael Keenan MP</td>
</tr>
<tr>
<td><strong>Treasurer</strong></td>
<td>The Hon Joe Hockey MP</td>
</tr>
<tr>
<td><strong>Minister for Small Business</strong></td>
<td>The Hon Bruce Billson MP</td>
</tr>
<tr>
<td><strong>Minister for Agriculture</strong></td>
<td>The Hon Barnaby Joyce MP</td>
</tr>
<tr>
<td><strong>Minister for Education</strong></td>
<td>The Hon Christopher Pyne MP</td>
</tr>
<tr>
<td><strong>Minister for Industry</strong></td>
<td>The Hon Ian Macfarlane MP</td>
</tr>
<tr>
<td><strong>Minister for Social Services</strong></td>
<td>The Hon Kevin Andrews MP</td>
</tr>
<tr>
<td><strong>Minister for Communications</strong></td>
<td>The Hon Malcolm Turnbull MP</td>
</tr>
<tr>
<td><strong>Minister for Health</strong></td>
<td>The Hon Peter Dutton MP</td>
</tr>
<tr>
<td><strong>Minister for Sport</strong></td>
<td>The Hon Peter Dutton MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td>The Hon Josh Frydenberg MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Minister for Foreign Affairs</strong></td>
<td>The Hon Brett Mason</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Treasurer</strong></td>
<td>The Hon Steven Ciobo MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Minister for Education</strong></td>
<td>The Hon Sussan Ley MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Minister for Agriculture</strong></td>
<td>The Hon Concetta Fierravanti-Wells</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Minister for Communications</strong></td>
<td>The Hon Paul Fletcher MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td>The Hon Alan Tudge MP</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Title</th>
<th>Minister</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Attorney-General</strong></td>
<td>The Hon Michael Keenan MP</td>
</tr>
<tr>
<td><strong>Minister for the Arts</strong></td>
<td>The Hon George Brandis QC</td>
</tr>
<tr>
<td><strong>Minister for Justice</strong></td>
<td>The Hon Martin Ferguson MP</td>
</tr>
<tr>
<td><strong>Minister for Social Services</strong></td>
<td>The Hon Kevin Andrews MP</td>
</tr>
<tr>
<td><strong>Minister for Human Services</strong></td>
<td>The Hon Patrick Guilfoyle</td>
</tr>
<tr>
<td><strong>Minister for Communications</strong></td>
<td>The Hon Malcolm Turnbull MP</td>
</tr>
<tr>
<td><strong>Minister for Health</strong></td>
<td>The Hon Peter Dutton MP</td>
</tr>
<tr>
<td><strong>Minister for Sport</strong></td>
<td>The Hon Peter Dutton MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td>The Hon Alan Tudge MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Minister for Foreign Affairs</strong></td>
<td>The Hon Brett Mason</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Treasurer</strong></td>
<td>The Hon Steven Ciobo MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Minister for Education</strong></td>
<td>The Hon Sussan Ley MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Minister for Agriculture</strong></td>
<td>The Hon Concetta Fierravanti-Wells</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Minister for Communications</strong></td>
<td>The Hon Paul Fletcher MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td>The Hon Alan Tudge MP</td>
</tr>
<tr>
<td>Title</td>
<td>Minister</td>
</tr>
<tr>
<td>------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Minister for Defence</strong></td>
<td>Senator the Hon David Johnston</td>
</tr>
<tr>
<td>Minister for Veterans' Affairs</td>
<td>Senator the Hon Michael Ronaldson</td>
</tr>
<tr>
<td><em>Minister Assisting the Prime Minister for the Centenary of ANZAC</em></td>
<td><em>Senator the Hon Michael Ronaldson</em></td>
</tr>
<tr>
<td>Assistant Minister for Defence</td>
<td>The Hon Stuart Robert MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Defence</td>
<td>The Hon Darren Chester MP</td>
</tr>
<tr>
<td><strong>Minister for the Environment</strong></td>
<td>The Hon Greg Hunt MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for the Environment</td>
<td><em>Senator the Hon Simon Birmingham</em></td>
</tr>
<tr>
<td><strong>Minister for Immigration and Border Protection</strong></td>
<td>The Hon Scott Morrison MP</td>
</tr>
<tr>
<td>Assistant Minister for Immigration and Border Protection</td>
<td>Senator the Hon Michaelia Cash</td>
</tr>
<tr>
<td><strong>Minister for Finance</strong></td>
<td>Senator the Hon Mathias Cormann</td>
</tr>
<tr>
<td>Special Minister of State</td>
<td>Senator the Hon Michael Ronaldson</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Finance</td>
<td>The Hon Michael McCormack MP</td>
</tr>
</tbody>
</table>

Each box represents a portfolio. *Cabinet Ministers are shown in bold type.* As a general rule, there is one department in each portfolio. However, there is a Department of Human Services in the Social Services portfolio and a Department of Veterans' Affairs in the Defence portfolio. The title of a department does not necessarily reflect the title of a minister in all cases.
<table>
<thead>
<tr>
<th>TITLE</th>
<th>SHADOW MINISTER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leader of the Opposition</td>
<td>Hon Bill Shorten MP</td>
</tr>
<tr>
<td>Shadow Minister Assisting the Leader for Science</td>
<td>Senator the Hon Kim Carr</td>
</tr>
<tr>
<td>Shadow Minister Assisting the Leader for Small Business</td>
<td>Hon Berni Ripoll MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Small Business</td>
<td>Julie Owens MP</td>
</tr>
<tr>
<td>Shadow Cabinet Secretary</td>
<td>Senator the Hon Jacinta Collins</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary to the Leader of the Opposition</td>
<td>Hon Michael Danby MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary to the Leader of the Opposition</td>
<td>Dr Jim Chalmers MP</td>
</tr>
<tr>
<td>Deputy Leader of the Opposition</td>
<td>Hon Tanya Plibersek MP</td>
</tr>
<tr>
<td>Shadow Minister for Foreign Affairs and International Development</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Women</td>
<td>Senator Claire Moore</td>
</tr>
<tr>
<td>Manager of Opposition Business (Senate)</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for the Centenary of ANZAC</td>
<td>Hon David Feeney MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Foreign Affairs</td>
<td>Hon Matt Thistlethwaite MP</td>
</tr>
<tr>
<td>Leader of the Opposition in the Senate</td>
<td>Senator the Hon Penny Wong</td>
</tr>
<tr>
<td>Shadow Minister for Trade and Investment</td>
<td>Dr Jim Chalmers MP</td>
</tr>
<tr>
<td>Deputy Leader of the Opposition in the Senate</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Defence</td>
<td>Hon David Feeney MP</td>
</tr>
<tr>
<td>Shadow Minister for Veterans' Affairs</td>
<td>Hon David Feeney MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Defence</td>
<td>Gai Brodman MP</td>
</tr>
<tr>
<td>Shadow Minister for Infrastructure and Transport</td>
<td>Hon Anthony Albanese MP</td>
</tr>
<tr>
<td>Shadow Minister for Cities</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Tourism</td>
<td>Hon Julie Collins MP</td>
</tr>
<tr>
<td>Shadow Minister for Regional Development and Local Government</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Regional Development and Infrastructure</td>
<td>Hon Alannah MacTiernan MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Western Australia</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for External Territories</td>
<td>Hon Warren Snowdon MP</td>
</tr>
<tr>
<td>Shadow Treasurer</td>
<td>Hon Chris Bowen MP</td>
</tr>
<tr>
<td>Shadow Assistant Treasurer</td>
<td>Hon Dr Andrew Leigh MP</td>
</tr>
<tr>
<td>Shadow Minister for Competition</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Financial Services and Superannuation</td>
<td>Hon Berni Ripoll MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary to the Shadow Treasurer</td>
<td>Hon Ed Husic MP</td>
</tr>
<tr>
<td>Shadow Minister for Finance</td>
<td>Hon Tony Burke MP</td>
</tr>
<tr>
<td>Manager of Opposition Business (House)</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Environment, Climate Change and Water</td>
<td>Hon Mark Butler MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for the Environment, Climate Change and Water</td>
<td>Senator the Hon Lisa Singh</td>
</tr>
<tr>
<td>Shadow Minister for Higher Education, Research, Innovation and Industry</td>
<td>Senator the Hon Kim Carr</td>
</tr>
<tr>
<td>Shadow Minister for Vocational Education</td>
<td>Hon Sharon Bird MP</td>
</tr>
<tr>
<td>Shadow Assistant Minister for Higher Education</td>
<td>Hon Amanda Rishworth MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Manufacturing</td>
<td>Tony Zappia MP</td>
</tr>
<tr>
<td>TITLE</td>
<td>SHADOW MINISTER</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>--------------------------------------</td>
</tr>
<tr>
<td>Shadow Minister for Communications</td>
<td>Hon Jason Clare MP</td>
</tr>
<tr>
<td>Shadow Assistant Minister for Communications</td>
<td>Michelle Rowland MP</td>
</tr>
<tr>
<td>Shadow Attorney General</td>
<td>Hon Mark Dreyfus QC MP</td>
</tr>
<tr>
<td>Shadow Minister for the Arts</td>
<td></td>
</tr>
<tr>
<td>Deputy Manager of Opposition Business (House)</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Justice</td>
<td>Hon David Feeney MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary to the Shadow Attorney General</td>
<td>Graham Perrett MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for the Arts</td>
<td>Hon Michael Danby MP</td>
</tr>
<tr>
<td>Shadow Minister for Education</td>
<td>Hon Kate Ellis MP</td>
</tr>
<tr>
<td>Shadow Minister for Early Childhood</td>
<td></td>
</tr>
<tr>
<td>Shadow Assistant Minister for Education</td>
<td>Hon Amanda Rishworth MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Education</td>
<td>Julie Owens MP</td>
</tr>
<tr>
<td>Shadow Minister for Agriculture</td>
<td>Hon Joel Fitzgibbon MP</td>
</tr>
<tr>
<td>Shadow Minister for Rural Affairs</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Resources</td>
<td>Hon Gary Gray AO MP</td>
</tr>
<tr>
<td>Shadow Minister for Northern Australia</td>
<td></td>
</tr>
<tr>
<td>Shadow Special Minister of State</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Northern Australia</td>
<td>Hon Warren Snowdon MP</td>
</tr>
<tr>
<td>Shadow Minister for Health</td>
<td>Hon Catherine King MP</td>
</tr>
<tr>
<td>Shadow Assistant Minister for Health</td>
<td>Stephen Jones MP</td>
</tr>
<tr>
<td>Shadow Minister for Mental Health</td>
<td>Senator Hon Jan McLucas</td>
</tr>
<tr>
<td>Shadow Minister for Sport</td>
<td>Hon Bernie Ripoll MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Health</td>
<td>Nick Champion MP</td>
</tr>
<tr>
<td>Shadow Minister for Families and Payments</td>
<td>Hon Jenny Macklin MP</td>
</tr>
<tr>
<td>Shadow Minister for Disability Reform</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Human Services</td>
<td>Senator the Hon Doug Cameron</td>
</tr>
<tr>
<td>Shadow Minister for Housing and Homelessness</td>
<td>Senator the Hon Jan McLucas</td>
</tr>
<tr>
<td>Shadow Minister for Carers</td>
<td>Senator Claire Moore</td>
</tr>
<tr>
<td>Shadow Minister for Communities</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Families and Payments</td>
<td>Senator Carol Brown</td>
</tr>
<tr>
<td>Shadow Minister for Immigration and Border Protection</td>
<td>Hon Richard Marles MP</td>
</tr>
<tr>
<td>Shadow Minister for Citizenship and Multiculturalism</td>
<td>Michelle Rowland MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Immigration</td>
<td>Hon Matt Thistlethwaite MP</td>
</tr>
<tr>
<td>Shadow Minister for Indigenous Affairs</td>
<td>Hon Shayne Neumann MP</td>
</tr>
<tr>
<td>Shadow Minister for Ageing</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Indigenous Affairs</td>
<td>Hon Warren Snowdon MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Aged Care</td>
<td>Senator Helen Polley</td>
</tr>
<tr>
<td>Shadow Minister for Employment and Workplace Relations</td>
<td>Hon Brendan O'Connor MP</td>
</tr>
<tr>
<td>Shadow Minister for Employment Services</td>
<td>Hon Julie Collins MP</td>
</tr>
</tbody>
</table>
## CONTENTS

**THURSDAY, 27 NOVEMBER 2014**

### Chamber

#### DOCUMENTS—
- Tabling

#### COMMITTEES—
- Australia Fund Establishment—
- Meeting

#### BILLS—
- Environment Protection and Biodiversity Conservation Amendment Bill 2014—
  - Second Reading
- Fair Trade (Australian Standards) Bill 2013—
  - Second Reading
- Racial Discrimination Amendment Bill 2014—
  - Explanatory Memorandum

#### DOCUMENTS—
- Fluffy Owners Residents Action Group

#### NOTICES—
- Presentation

#### COMMITTEES—
- Selection of Bills Committee—
  - Report

#### BUSINESS—
- Consideration of Legislation
- Rearrangement
- Consideration of Legislation

#### NOTICES—
- Postponement

#### COMMITTEES—
- Community Affairs Legislation Committee
- Rural and Regional Affairs and Transport References Committee

#### BUSINESS—
- Leave of Absence

#### REGULATIONS AND DETERMINATIONS—
- Corporations Amendment (Streamlining Future of Financial Advice) Regulations 2014—
  - Disallowance

#### MOTIONS—
- Newcastle Rail Line

#### BILLS—
- Family Tax Benefit (Tighter Income Test) Bill 2014—
  - First Reading
  - Second Reading
- Australian Broadcasting Corporation Amendment (Local Content) Bill 2014—
  - First Reading
  - Second Reading

#### MOTIONS—
- Great Barrier Reef
CONTENTS—continued

Whaling .................................................................................................................. 9504
Radioactive Material ............................................................................................. 9505
Animal Welfare ..................................................................................................... 9506

BILLS—
  Regulator of Medicinal Cannabis Bill 2014—
    First Reading .................................................................................................... 9506
    Second Reading ............................................................................................... 9507

MOTIONS—
  Agricultural Exports .......................................................................................... 9509

DOCUMENTS—
  Homelessness—
    Order for the Production of Documents ............................................................ 9509
  Trade with China—
    Order for the Production of Documents ............................................................ 9510

BILLS—
  Parliamentary Service Amendment Bill 2014—
    First Reading .................................................................................................... 9510
    Second Reading ............................................................................................... 9510

DOCUMENTS—
  Homelessness—
    Order for the Production of Documents ............................................................ 9511

BILLS—
  Customs Amendment Bill 2014—
  Safety, Rehabilitation and Compensation Legislation Amendment Bill 2014—
    First Reading .................................................................................................... 9511
    Second Reading ............................................................................................... 9512
  Export Finance and Insurance Corporation Amendment (Direct Lending and Other
    Measures) Bill 2014—
    First Reading .................................................................................................... 9515
    Second Reading ............................................................................................... 9515
  Higher Education and Research Reform Amendment Bill 2014—
    Second Reading ............................................................................................... 9517
  Customs Amendment (Japan-Australia Economic Partnership Agreement
    Implementation) Bill 2014—
  Customs Tariff Amendment (Japan-Australia Economic Partnership Agreement
    Implementation) Bill 2014—
    Second Reading ............................................................................................... 9521
    Third Reading .................................................................................................... 9534
  Australian War Memorial Amendment Bill 2014—
    First Reading .................................................................................................... 9534
    Second Reading ............................................................................................... 9534
    Third Reading .................................................................................................... 9538

QUESTIONS WITHOUT NOTICE—
  Minister for Defence ............................................................................................ 9538
  Budget .................................................................................................................. 9539
  Minister for Defence ............................................................................................ 9541
  Health Care .......................................................................................................... 9542
CONTENTS—continued

DISTINGUISHED VISITORS ........................................................................................................ 9544
QUESTIONS WITHOUT NOTICE—
  Financial Services .................................................................................................................. 9544
  Queensland: Mining ................................................................................................................. 9545
DISTINGUISHED VISITORS ..................................................................................................... 9547
QUESTIONS WITHOUT NOTICE—
  Workplace Relations ............................................................................................................. 9547
  Great Barrier Reef .................................................................................................................. 9548
  Income Tax ............................................................................................................................. 9550
  Broadband ............................................................................................................................. 9552
  Minister for Defence ............................................................................................................. 9553
  Higher Education .................................................................................................................. 9554
  Budget ................................................................................................................................ 9556
DOCUMENTS—
  Asylum Seekers—
    Order for the Production of Documents ............................................................................ 9558
QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS—
  Answers to Questions ............................................................................................................. 9558
  Health Care ........................................................................................................................... 9564
BUDGET—
  Consideration by Estimates Committees ............................................................................. 9566
COMMITTEES—
  Treaties Committee—
    Report ................................................................................................................................. 9566
BUDGET—
  Portfolio Additional Estimates Statements ........................................................................... 9569
DOCUMENTS—
  Abbot Point—
    Order for the Production of Documents ........................................................................... 9569
COMMITTEES—
  Membership ............................................................................................................................ 9569
BILLS—
  Carbon Farming Initiative Amendment Bill 2014—
  Australian Education Amendment Bill 2014—
  Australian Sports Anti-Doping Authority Amendment Bill 2014—
  Social Services and Other Legislation Amendment (2014 Budget Measures No. 6) Bill 2014—
  Private Health Insurance Amendment Bill (No. 1) 2014—
    Assent ................................................................................................................................. 9570
MOTIONS—
  Government Spending ......................................................................................................... 9570
DOCUMENTS—
  National Blood Authority .................................................................................................... 9603
  Professional Services Review ............................................................................................... 9603
  National Mental Health Commission ..................................................................................... 9604
CONTENTS—continued

DOCUMENTS—
Consideration .................................................................................................................. 9605

COMMITTEES—
Australia's Food Processing Sector Committee—
Report ............................................................................................................................... 9607

DOCUMENTS—
Consideration .................................................................................................................. 9609

ADJOURNMENT—
Indigenous Affairs ........................................................................................................... 9610
Indigenous Affairs ........................................................................................................... 9612
Cystic Fibrosis .................................................................................................................. 9613
Queensland Gulf Country ................................................................................................. 9614
Employment ..................................................................................................................... 9617
Defence Personnel .......................................................................................................... 9619
Government Spending .................................................................................................... 9621
Flanagan, Mr Richard ....................................................................................................... 9627
Education ........................................................................................................................ 9630
Infrastructure .................................................................................................................. 9634
Renewable Energy Target ............................................................................................... 9634
Australian Defence Force ................................................................................................. 9634
Media ................................................................................................................................ 9639

DOCUMENTS—
Tabling .............................................................................................................................. 9641
Tabling .............................................................................................................................. 9642
Thursday, 27 November 2014

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

DOCUMENTS

Tabling

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

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

COMMITTEES

Australia Fund Establishment

Meeting

The Clerk: A proposal to meet has been lodged by the Joint Select Committee on the Australia Fund Establishment for private and public meetings on 1 December from 11 am.

The DEPUTY PRESIDENT (09:32): I remind senators that the question may be put on any proposal at the request of any senator. Are there any such requests? There are none.

BILLS

Environment Protection and Biodiversity Conservation Amendment Bill 2014

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator SESELJA (Australian Capital Territory) (09:33): The government will not be supporting the Environment Protection and Biodiversity Conservation Amendment Bill 2014. I will go through first broadly what the bill does and also the Greens' proposed amendment, which we will not be supporting either. I will go through some of the reasons why we take a different approach on this issue.

The bill amends the Environment Protection and Biodiversity Conservation Act to repeal a sunset provision and enable the minister to establish an independent expert panel to conduct an assessment of the potential environmental impacts of a declared commercial fishing activity and to prohibit the declared fishing activity while the assessment is undertaken. On the Greens' proposed amendment, I will quote from Senator Whish-Wilson:

The Greens have put up an amendment to ban supertrawlers and vessels with freezing capacity over 2,000 tonnes. That is a globally recognised tonnage of fish that is being looked at by groups right around the world.

He goes on:

We consider that we need separate legislation for any size over that.

He goes on:

We would ask that Labor, through Senator Ludwig, who brought this forward, consider a proper amendment that will ban this type of fishing activity in this country once and for all. This is what millions of rec—
recreational—
fishermen across this country want—
apparently, according to Senator Whish-Wilson.
We do not agree with the Greens and we do not agree with the Labor Party on this issue. The reason the government opposes this bill as well as the amendments is that the amendments will have no effect on the recently expired or current declaration made under the now lapsed legislation. We support commercial, recreational and Indigenous fishers and are committed to the continuation of Australia's well-managed fisheries. The coalition has confidence in the sustainability of Australian fisheries managed by the Australian Fisheries Management Authority. We will make any decisions regarding fisheries management based on the science. We will not be rushed. We will consider the expert panel report in its entirety and make appropriate decisions.

The government is aware of the concern among a range of groups, including recreational fishers, about the potential impact of supertrawlers on Australia's marine environment, protected species and local fish stocks. We intend to build public confidence in the fishery and fisheries management more generally. Commercial fishing has to be both environmentally and economically sustainable.

Agreeing to this bill would mean that the Minister for the Environment could declare any fishing activity at any time, and who knows what a future environment minister might do with that? For instance, he or she, in future, might consider that there is uncertainty associated with small rowboats and declare them, which would then mean that an expert panel would be established to investigate the matter, all at the cost of the taxpayer. Senator Ludwig is only bringing this back now, we believe, to play cheap wedge politics, and the Greens, not surprisingly, are jumping on the bandwagon.

Now I want to go back to Labor's record on this issue and their hypocrisy on this issue. It was Tony Burke, in his role as Minister for Agriculture, Fisheries and Forestry, who created this issue by inviting these types of vessels as part of his 2009 Small Pelagic Fishery Harvest Strategy. I quote:
… there are considerable economies of scale in the fishery and the most efficient way to fish may include large scale factory freezer vessels.
That is from page 2 of the Small Pelagic Fishery Harvest Strategy, from the Australian Fisheries Management Authority in 2009. Indeed, the former minister proudly trumpeted:
This is the first time a trawler with a storage capacity of 2000 tonne or more is likely to operate in an Australian fishery …

Then, as the Minister for Sustainability, Environment, Water, Population and Communities, Tony Burke completely bungled the development and introduction of the declared fishing activities bill in September 2012. This legislation was so bad that it needed amendment within hours of introduction. Labor clearly did not understand fisheries or fisheries management. Their bill initially banned recreational charter vessels. The declared fishing activities amendment was so bad that there was a 12-month sunset clause to kill it off.

As I said earlier, Senator Ludwig is bringing this back now to play cheap politics, notwithstanding that appalling history of mismanagement of this issue by the Labor Party and particularly by the former minister. But we know, in fact, that Senator Ludwig did once stand
up for Australian fisheries. I quote from then Minister Ludwig in August 2012, responding to a Greens motion:

This disallowance motion is a message that the Greens political party do not support sustainable catch limits based on science.

Agreed. He continued:

It is a message that says the Greens want fisheries managed by politics, not qualified fisheries managers.

Well, we agree. He continued:

And it says that the Greens do not support the commercial operators who fish in some of the world's best managed fisheries.

He went on:

That message should be well understood, because I have no doubt that the same disregard for the science and management of our commercial fisheries will be extended to the legitimate pursuit of recreational fishing. As minister for fisheries—this was Senator Ludwig saying this at the time—

I will not allow the emotive politics of the Greens political party to run fisheries management policy in this country. We will ensure that the Australian Fisheries Management Authority is independent, that it makes independent decisions based on the science through its expert commissioners and on the facts that are presented to them. They will continue to make decisions based on sound judgement to ensure that fisheries are sustainable and meet all the ecological requirements—and, moreover, predicated on the precautionary principle so often espoused by the Greens.

He went on:

Why? Because AFMA will continue to apply sound policy to ensure that we will have sustainable fisheries now and into the future. For those reasons, the government oppose this motion.

That was a reasonably succinct position put by the then minister as to why we should reject these kinds of moves, why we should reject this Greens view of the world, which is not based on science. It is based on their version of cheap politics. It is based on their aversion really to any economic activity using our natural resources.

We know what the Greens are on about, but unfortunately the Labor Party in opposition has moved far closer to the Greens than we would like to see and, I am sure, much closer than many Labor senators would like the Labor Party to be. Many senators, I am sure, would be concerned about the Labor Party pandering to the Greens.

Senator Whish-Wilson: That's why they're doing so well in the polls and you're doing so crap.

Senator SESELJA: All right. That is an interesting interjection there from Senator Whish-Wilson that the reason the Labor Party have had a spike in the polls is that they have gone closer to the Greens agenda. That is interesting. I wonder what Sam Dastyari might think about that when he is asked about whether or not it is good politics and good policy for the Labor Party to be following the Greens. But there is some truth in what Senator Whish-Wilson says, in that the Labor Party are following the Greens. I think Senator Whish-Wilson and I can agree on that. I think that for the Labor Party, if they do want to be back on the government benches at some point in the future, that is not the best strategy, because a party—
Senator Whish-Wilson interjecting—

Senator SESELJA: Well, we will all have a different take on that, but Senator Whish-Wilson's position now is half right: the Labor Party are following the Greens, but I would disagree with the idea that the Labor Party following the Greens and moving further to the left on any policy, be it on fisheries management or anything else, is somehow going to be a winning formula, and I am sure that there would be many Labor senators—and I will not name names, but we know who they are—who would be horrified by that prospect.

Senator Lines: I think Labor is much better at getting the politics right than you are—

Senator SESELJA: Well, it is interesting, isn't it? The Labor government were obsessed with the politics. You are right, Senator Lines. You are absolutely right. The Labor Party in government were obsessed with the politics. They were obsessed with opinion polls. And that is one of the reasons they were such a shocking government, such an absolutely shocking government. In the end, their obsession with those things—instead of being good managers, instead of actually looking after the country, instead of showing good leadership—their obsession with those internal matters and their obsession with focus groups and opinion polls did not help them to be a good government and did not help them to maintain the support of the Australian people. So I thank Senator Lines for her contribution. She is absolutely right. They were obsessed with those kinds of things rather than good policy.

Senator Lines interjecting—

Senator Whish-Wilson interjecting—

Senator SESELJA: I am very much enjoying this because I enjoy any time we can get political advice from the Greens party, because the Greens party, with their eight per cent of the vote—their eight per cent of the vote that they consistently attract—show just how much they represent mainstream Australia.

Senator Whish-Wilson interjecting—

Senator SESELJA: Sorry, what was that? I missed that from the eight per cent party. I could not quite hear. But, unlike the Labor Party, we will not take our policy advice or our political advice from the Greens.

That is at the heart of this issue. What Senator Ludwig said when he was in government was right: we should rely on the science; we should not go for cheap politics on this issue; and the way we have managed our fisheries over a long period of time is world's best practice. It is world's best practice. You could look at instances where we have gotten things wrong, of course, but, if you compare our record to that of most nations around the world, we do a great job of maintaining a sustainable industry, of feeding millions of people right around the world through our fisheries and of having the highest environmental standards. Ask yourself. I often think about this when we discuss the issue of fisheries. We saw attempts by the former government to really scale back the amount of fishing that could take place in our waters. You often say to yourself: well, we are still going to be getting fish, but if we are not getting it from Australian waters, if we are not doing it with the best environmental standards here in Australia, we will be getting it from other places that have far lower environmental standards than we do in this country. I think we fundamentally have to ask ourselves the question about what would happen if we were to take the Greens view of the world and part of the Labor
Party view of the world and say, 'Look, we're just going to ban it more and more and make it more and more restrictive for commercial fishing.'

We understand the need for balance. We absolutely support recreational fishing and we know that, if you overfish, that is negative in the long term for commercial fishing, it is negative for recreational fishing and it is not sustainable. So we have always taken a scientific approach to this, but you ask yourself: if you ban it more and more, it will happen in other places where there will not be the same kinds of environmental standards. We will not have the jobs in this country that flow from the industry. We will not have the ability to feed not just ourselves but the world, as we should. What will happen is that we will be importing more and more of the stuff, with no real knowledge of the environmental standards that apply in other places. That, to me, is the fundamental when we look at these issues.

Regarding this bill, let us go to the expert panel report. The independent expert scientific panel has completed its assessment of the potential impacts of supertrawlers, boats greater than 130 metres, on our marine environment. The panel focused on assessing the potential impact of supertrawlers on the marine environment and protected species, including seals, dolphins and seabirds, and the potential for localised depletion of target species. The panel provided the Minister for the Environment with a report on its findings in mid-October, which was published on the Department of the Environment's website on 19 November. The report gave a big tick to the existing risk based fisheries management framework used in Australian fisheries management. It is this framework that has resulted in Australia's fisheries being recognised as among the best managed anywhere in the world. This risk based management framework is already in action in the Small Pelagic Fishery. The harvest strategy exceeds internationally recommended standards such as those made by the Lenfest Forage Fish Task Force in the report Little Fish, Big Impact. The report also highlighted that there are risks from the proposed fishing operation, as there are with all fishing, be that commercial or recreational. The government believes that scientific evidence must continue to underpin the management of our fisheries.

That sums up our objections here to what is being driven, and is consistently driven, by the Greens—and that is that we will do it in a scientific way, not in an emotive way and not based on whatever scare might be out there at the time. It is based on the best scientific evidence around how we can continue to have a vibrant fishing industry, which we on this side of the parliament certainly want to see. We want to see a commercial fishing industry in this country that is viable, creates jobs, feeds Australians and creates an export market. That is a great thing for Australia. We also want to manage threatened species. We also want to make sure that it is commercially sustainable, which means that overfishing is not only bad for the environment; it is not commercially sustainable in the long term. We also want to see strong Indigenous recreational fishing opportunities.

All of those things do operate in this country. In large part, they operate quite well. We believe in taking a scientific approach, accepting the expert advice, rather than having this ad hoc approach that we are seeing in this kind of legislation. For all of those reasons, the coalition will not be supporting the bill.

Senator CAROL BROWN (Tasmania) (09:48): I rise today to speak in support of the Environment Protection and Biodiversity Conservation Amendment Bill 2014. The debate about supertrawlers is an ongoing issue of concern, particularly in my home state of
Tasmania, but I do know that many senators have received emails on this issue regardless of which state or territory they represent. There is concern throughout Australia about the operation of supertrawlers in our waters.

Only this week, the *Mercury* newspaper, based in the southern part of Tasmania, reported on the findings of the report from the Expert Panel on a Declared Commercial Fishing Activity, the Final (Small Pelagic Fishery) Declaration 2012. Now that the government has been given the expert panel's report, it must make a decision and end uncertainty for Tasmanian fishers.

**Senator Whish-Wilson:** They have been very silent on that point too, Senator Brown.

**Senator CAROL BROWN:** Absolutely, but that is not something that we would be surprised about, Senator Whish-Wilson. On page 302, the report concludes:

… direct interactions with protected species and localised depletion, as defined by the panel, will occur under the DCFA—

declared commercial fishing activity—

The panel’s assessment has confirmed that there are considerable uncertainties relating to the extent of those impacts and the level of impact that would create adverse environmental outcomes.

As in other fisheries facing similar uncertainties, a precautionary and adaptive, risk-based approach to management of the potential impacts of the DCFA is required.

It is clear that Tasmania's fisheries, including protected species, will be depleted if supertrawlers are allowed to operate. Dolphin and seal numbers may also be affected.

We know that the Final (Small Pelagic Fishery) Declaration 2012 ended at midnight on 18 November this year. The Final (Small Pelagic Fishery) Declaration (No.2) 2013 will end at midnight on 24 April next year. We must act now to protect our environment and our fisheries. The factory fishing boat *Meridian 1* has had approval to trawl Tasmanian waters. It will be the largest freezer trawler to fish in Australia. The *Meridian 1* is expected to operate for only a few months to catch its quota of blue grenadier.

In Tasmania, news of the return of a large factory freezer trawler a few months ago put the issue of supertrawlers firmly back in the news and raised fears among the fishing industry. I want to refer to an editorial on 6 June in Hobart's *Mercury* newspaper on this Ukrainian owned trawler. The editorial states:

The operators of these types of trawlers that can stay at sea for long periods of time, catch enormous amounts of fish, and process their catch while at sea would do well to keep the community properly informed. Fear of the unknown brings an instant and predictable reaction.

The *Mercury* editorial goes on to suggest that the operators of the *Meridian 1* should tell the public of their plans. It is possible that this trawler will not pose a possible risk. However, it is obvious that Tasmanian waters are attractive to large trawlers, and I believe we need to be always on our guard. It also is apparent that we need legislative protections against these supertrawlers.

At the heart of this bill is the government's inaction. In the face of the government's failure to act to protect our fisheries, stand up for recreation fishers or provide the community and industry with certainty, Labor is again taking action. Federal Labor is committed to the sustainable management of Australia's marine resources and, when in government, we were strong defenders and managers of our oceans and those who use them.
Australia's fisheries are among the most sustainable and best managed in the world. Labor is committed to ensure that this remains the case. This bill restores a power to the environment and fisheries ministers to declare particular fishing activities that have not previously been used in Australian waters and require up to two years of additional scientific review where uncertainty exists. This will enable the government of the day to review fishing methods and vessels such as supertrawlers that have not been used in Australia before.

When these powers were introduced by Labor, we put in a sunset clause of 12 months to allow a fisheries review to be implemented. To ensure that Australia's waters were adequately protected from the risks associated with the use of supertrawlers, the Labor government amended the Environment Protection and Biodiversity Conservation Act in September 2012 to include these powers. The power was used once by Labor in government to declare a type of fishing activity that matched the specifications of a supertrawler. At the time this picked up the vessel the FV Abel Tasman, which was formerly known as the Margiris. In April 2013, we extended these restrictions, which means that these supertrawlers cannot operate in Australian waters until at least April 2015. At that time we also established an independent expert panel, which I referred to earlier, to provide an objective impact assessment of the environmental impacts of this activity.

The use of supertrawlers in Australian waters has been a long-running issue that has generated passionate debate and high levels of concern within the community around the country. It has seen Tasmanians take to the street in large numbers to protest about supertrawlers. Tasmanians who would not normally attend public meetings have taken part in protest action. It is an issue that a large number of constituents regularly raise with me and many others, I am sure. Concerns have been raised about the bycatch of other fish, birds and marine mammals, particularly dolphins and seals. Communities need confidence that the environmental controls in place are reflective of their expectations. Re-establishing the power of the minister to establish an expert panel that will be able to assess the science is important in ensuring that communities can have this confidence.

Another concern often raised by my constituents in Tasmania, particularly those who are recreational fishers, has been the potential for localised depletion of fishing stock. In fact, Tasmanians were the first to raise their concerns about the impact of supertrawlers in our waters, at rallies and public meetings across the state. That is why I, along with my colleagues—and, I know, many others in the Senate—the member for Franklin, Julie Collins MP, and former Labor senator, Lin Thorp, lobbied the former Labor government to stop the supertrawler FV Abel Tasman from operating in Tasmanian waters in 2012.

Labor listened to the concerns and amended the Environment Protection and Biodiversity Conservation Act to ensure Australia's waters were adequately protected from risks associated with the use of supertrawlers. It was Labor that put a stop to the Abel Tasman, with a ban which turned the supertrawler around before it had started trawling Australia's oceans. However, the threat of other supertrawlers has not gone away and it is up to Labor, again, to take action.

In September 2012 when the powers were originally introduced, the Liberal and National parties opposed the amendments. Then opposition members used every reason under the sun to oppose the bill, but none of those reasons were very convincing. Senator Abetz said it was
a 'very dangerous precedent that it sets'. And Senator Scullion stated, 'science of the specific fishery in question didn't require additional reviews'.

In September 2013, when asked whether the new government would lift the ban, Senator Colbeck said that the government would 'consider it, based on the science'. This statement contrasts with Senator Colbeck's previously definitive position on the ban. In September 2012, Senator Colbeck called banning the supertrawler a 'serious embarrassment'. Then in June 2013 he said actions against the trawler were a 'dishonest campaign'.

However, when the now Prime Minister, Mr Abbott, was questioned on March 4 2014 about the supertrawler he said:
It was banned with the support of members on this side of the House. It was banned; it will stay banned. I welcome those statements and I welcome the support of the Prime Minister, albeit belatedly. I would suggest that the Prime Minister and Senator Abetz, who supported the Prime Minister's statement when asked about it in this place, refresh their memories by reviewing the Hansard records.

For the record I can quote from the Hansard of 6 March 2014, when Senator Abetz said:
The answer the Prime Minister gave was very clear. The supertrawler was banned, it remains banned and, as I understand it, the company involved has no interest in bringing its supertrawler back to Australia.

But then, of course, we know that the Liberal and National parties voted against the ban in both houses of parliament. They did not think that any more science or research was needed and they did not want to stop the supertrawler. We have to be very clear here, because the Prime Minister appears to be rewriting history: they did not want any more science or research and they did not want to stop the supertrawler. The Liberals voted against banning supertrawlers when they were in opposition, and now they are in government they have failed to take any action to protect our environment and our fisheries.

This bill will force the government to choose whether to honour the Prime Minister's own words and the actions of the government when in opposition. This bill will make the government put their money where their mouth is. The government is yet to do even the most basic work required to implement sensible root-and-branch reform of fisheries management, as recommended by the Borthwick review and responded to by Labor in March 2013.

As the government refuses to act to protect our fisheries, stand up for recreational fishers or provide industry with any certainty, it is up to Labor to act. In government Labor supported strong powers to protect the environment, to respect the rights of recreational fishers and to provide certainty to business. Under the bill we consider here today, new supertrawlers will have to face the same tough response faced by the original supertrawler. The amendments give the government of the day the power to declare a particular type of fishing activity prohibited. This declaration will be made where the activity has not been used in Australia and some uncertainty exists around it. The prohibition will allow proper and thorough expert scientific work to be conducted.

The bill restores the powers to enable the environment minister, with the agreement of the Commonwealth fisheries minister, to make an interim declaration that a fishing activity is a prohibited 'declared commercial fishing activity' while an expert panel assesses the potential environmental impacts of the activity. The bill also restores the power of the environment
minister—again with the agreement of the Commonwealth fisheries minister—to make a final declaration, for a period no longer than 24 months, that a fishing activity is a prohibited 'declared commercial fishing activity'. Further to this, the bill provides for the establishment of an expert panel in the case of the making of a final declaration. The bill also specifies the terms of reference of the panel and arrangements for reporting, with a requirement that a copy of the panel report be made publicly available.

The former Labor government has a strong record when it comes to supporting our fisheries and making them healthier, sustainable and more resilient. Labor understands that Australia's fisheries are a valuable natural resource and that we all have a role in ensuring the future of an industry that contributes more than $2 billion to our economy each year. It was the previous Labor government that announced the first major review of Australian fisheries policy and legislation in over 20 years. In fact, it was Senator Ludwig, whose bill we discuss here today, who as Minister for Agriculture, Fisheries and Forestry, commissioned an independent review of the policy and legislation governing the Commonwealth's fisheries management system in September 2012. The fisheries management review examined a range of issues to identify any improvements needed to ensure community and industry expectations of the Australian fisheries management regime can be met into the future.

In March last year the previous government released the report Review of Commonwealth fisheries: legislation, policy and management, also known as the Borthwick review. The findings of the review highlighted current management strengths and identified potential improvements to make Commonwealth fisheries more sustainable and to meet industry and community expectations into the future. On releasing the report, then Minister Ludwig stated: The Borthwick Review concluded that greater transparency, a broader policy framework, and the clarification of objectives and roles could build on what is already a very effective system. Senator Ludwig also indicated that the government's response to this report was to accept the direction of all 15 recommendations. The Labor government committed to engage with industry, recreational fishers, supply chain participants, environmental organisations, consumers and the general public on how best to implement the findings of the review.

Since coming to government, those opposite have done nothing to act on the findings of this review—nothing. The government is yet to do even the most basic work required to implement sensible root-and-branch reform of fisheries management Those opposite, under the leadership of Mr Abbott, have had over 12 months to do something to stop future supertrawlers and protect our oceans—but they have failed; they have failed to do anything. It should come as no surprise to anyone on this side of the chamber that they have not acted; in fact, it should not come as a surprise to anyone in the community who may be listening to this debate.

We know that those opposite have no interest in protecting our Fisheries and oceans. They proved this when they rolled back marine protection around the country. We on this side are proud to have delivered the world's largest marine reserve network. In government we added 2.3 million square kilometres to the system of Commonwealth marine reserves, expanding the overall size of the Commonwealth marine reserve estate to some 3.1 million square kilometres. Under Labor the number of marine reserves expanded from 27 to 60, covering more than a third of Commonwealth waters. However, the Abbott government has scrapped the comprehensive management plans that would have secured the long-term conservation
and sustainable use of Australia's precious oceans. It scrapped them without parliamentary scrutiny, against expert scientific advice and in spite of extensive public consultation and the accumulation of more than 20 years of work which began under the Keating government. However, Labor will continue to take action to ensure that we protect Australia's ecosystems and fishing stock.

Our decisions must be based on evidence. As there is uncertainty about the impacts of fishing vessels and the size of super trawlers, it is appropriate that we pass this bill to ensure that appropriate restrictions and assessments are undertaken. We must also act today to ensure that we have viable fishing for tomorrow's generations. The Abbott government have shown no care about our fisheries and our oceans but Labor have. Today I stand by the comments I made when I spoke on the 2012 bill in this place, and I repeat those words: marine environments once wrecked take generations to recover, if they ever do. A precautionary approach is not only good policy but also the only decent option.

As the government refuses to act to protect our oceans and our fisheries, to stand up for recreational fishers or to provide local businesses with any certainty, it is again up to Labor to act. We know that only Labor will ensure that sustainable action is taken for the ongoing health and integrity of Australia's marine areas. I will end with a quote from Senator Ludwig's speech:

Australia has some of the best managed fisheries in the world. There is, however, a gap in the system in considering the powers of the environment and fisheries ministers to consider new commercial fishing vessels before they arrive and begin to fish. Given the government has failed to act, it is sensible for these powers to be restored. Labor is standing up for the oceans, recreational fishers and local businesses.

I commend this bill to the chamber. I urge all senators to support it, and I urge the government senators to support the Prime Minister's statement that super trawlers are banned and will remain banned. This will determine whether you are supporting your Prime Minister—or will you turn your backs on the statements he makes? We know that he tends to shoot from the hip, but it is now up to you to say whether or not you support your Prime Minister's words. (Time expired)

Senator EDWARDS (South Australia) (10:08): I rise to speak against the Environment Protection and Biodiversity Conservation Amendment Bill 2014, despite the appeals from Senator Brown on the other side. Her closing remarks, where she tried to illustrate the position of the Prime Minister, were somewhat mischievous. I know that the Prime Minister is a great supporter of commercial and recreational fishing in this country, and we have some of the most well-managed fisheries for recreational and commercial shell and fin fishers in the world.

In speaking against this bill, I am highlighting the fact that this issue continues to be a gross Labor hypocrisy. As a senator for the state of South Australia and a strong supporter of a well-managed fisheries industry, I oppose the cheap wedge politics being peddled by Senator Ludwig. As we know, Senator Ludwig had a very low point in his ministerial career, when in June 2011 he put an overnight ban on the export of live cattle. We are still feeling the reverberations economically and socially of that knee-jerk, ill-considered decision of that time. This again is populist. I suspect that the CEO of GetUp! is often on the phone telling Senator Ludwig that the funding of his next campaign is probably in peril if he does not put
this back on the map. I assume Senator Ludwig is a very good industrial union lawyer and I am sure he was in the past, but in matters of primary industries and fishing he gets an 'E'.

Remember the mess Tony Burke created around the *Abel Tasman* and supertrawlers in the Small Pelagic Fishery Harvest Strategy? I recall there were four amendments in four days to his declared fishing activities bill. The Labor government response to the *Abel Tasman*—which I have been on and have toured; I will come to that later—which our party opposed at the time, has made us an international laughing stock. It has effectively tarnished the reputations of leading scientific and industry figures who have been acting in the interests of sustainability and good management of our marine natural resources.

But you do not have to take my word for it; you can read articles with headlines such as 'World mocks ban on trawler' by Philip Heyward in the *Mercury*, or 'Expert labels trawler ban "embarrassing"' on the ABC, or 'Opposition to the Margiris "super trawler" not evidence based' by Bob Kearney in The Conversation. Then-Minister Burke's commercial fishing policy was more shambolic than a set of tangled crab nets, and Senator Ludwig needs to withdraw this bill for fear of getting caught in the same trap. He needs to allow the correct bodies to administer fishing activities in Australia. The issue is much bigger than just the trawler; it is about how we do business in Australia and how we manage a resource in a sustainable and profitable manner.

The Labor-Green approach is dangerous to the fisheries industry, an industry which, I might add, is worth over $2 billion annually. It employs around 11,600 people—7,300 directly and 4,300 indirectly—according to figures of just a few years ago, and we know that the industry has had growth since then.

The coalition government has confidence in the Australian Fisheries Management Authority regarding the management and sustainability of fisheries. Actions taken by AFMA have already led to a reduction in bycatch and sustainable ecosystems. Catch limits based on appropriate biomass percentages mean that the fisheries industry is already appropriately managed without any unnecessary ministerial intervention.

Currently, small pelagic fishery is productive and environmentally stable. In fact during July in my home of Adelaide the Small Pelagic Fisheries Workshop, a technical workshop and stakeholder forum, was hosted by the South Australian Research and Development Institute. The forum determined that Australian fisheries science and management was the world benchmark, with policies and practices for other nations to aspire to. Dr Patrick Hone, Executive Director of the Fisheries Research and Development Corporation, said at the forum:

A key finding was that the science underpinning Australian fisheries management was robust and that our harvest strategy and rules were clearly precautionary and very much in line with the best practice guidelines put forward by the Lenfest Working Group and the Marine Stewardship Council.

The harvest strategies which Dr Hone speaks of started in 2007 under Minister Abetz as Minister for Fisheries, Forestry and Conservation. These strategies outline management actions needed to achieve biological and economic objectives. With the harvest strategies in place and operating uninterrupted, the fishing industry can work with greater confidence and management decisions can be made with transparency and forewarning.

Only this government, not Labor and certainly not the Greens, understands the main factor in commercial fishing management—that the industry be economically viable as well as
environmentally sustainable. Removing the sunset clause, as Senator Ludwig is attempting to do, would allow the environment minister to declare any fishing activity, requiring the establishment of an expert panel to investigate each declaration. This is dangerous to the industry and, given our best-in-practice policies, completely unnecessary for the purpose of fisheries management.

The coalition continues to do what it said it would do during the election campaign regarding commercial fishing. Our commitments were to: make decisions based on science; wait for the expert panel report on declared fishing activities before making a decision on the declaration of larger vessels; and seek more data to address criticisms regarding the age of data used to establish fish stocks. Further to that, in late October, Minister Colbeck welcomed the ABARES fishery status reports, which showed that, for the first time in eight years, no Commonwealth managed fisheries were subject to overfishing. In fact, under this coalition government, fisheries stocks are on the improve.

To return now to marine parks and a sensitive matter in my home state, I note worriedly that Labor has introduced 19 marine parks with 80 no-take zones within South Australia. These laws came into effect on 1 October this year and impact commercial and recreational anglers alike. Not only will this affect the enjoyment of our marine areas but it will hurt the fragile economy of our regions. If it were not already obvious that Labor do not understand the science behind fisheries management, it is even more evident that they do not understand their own policy. South Australian Labor spent $1.8 million filming and promoting an awareness campaign for their unwanted marine parks. In these ads, a family is seen crabbing on the Port Noarlunga jetty. If the Labor Party had half a clue, they would have known that the area depicted in that advertisement has already banned crabbing. How ironic and cruel is that?

Senator Back: Breaking the law.

Senator EDWARDS: To add insult to injury, Senator Back—I note your interest in this matter—the South Australian environment minister, Minister Hunter, proved he was nowhere near being across his brief on ABC breakfast radio on 1 October, the same day as these new laws came into effect, when he could not indicate what sanctions existed in the highly controversial Port Wakefield zone. By contrast, my state Liberal counterparts introduced an amendment bill, which sensibly proposed the reintroduction of access to 12 of those zones. The policy was supported by the commercial and recreational fishing industries and provides a sustainable base from which to fish. Just remember that none of these fishing zones is under any pressure.

The bill was defeated by one vote, the vote cast by the so-called minister for regions, Mr Geoff Brock, the member for Frome. There is a famous YouTube video of the independent member for Frome, Mr Geoff Brock, telling recreational fishers just one month prior to the March state election, 'I'm here to fight for you guys.' What a turncoat he turned out to be. He has sold his independence—he is supposed to be an independent—and his word to his electorate for a shot at the ministry which he now holds, and I think he is yet to realise the damage that he has done to the state, let alone to his career and to all those in the political environment.

South Australian fishing and aquaculture industries are worth $217 million annually and South Australia is a very big employer, with some 6,000 people in the seafood industry. If
you look at all those numbers I gave you earlier, South Australia's industry represents a very large percentage of the Australian seafood output. All of this hangs in the balance with the introduction of Labor's unnecessary, overregulating policies. We have confidence in the sustainability of Australian fisheries, currently managed by AFMA and recognised as some of the best practice in the world. To reiterate, policy must be driven by sound scientific advice and not knee-jerk reactions.

I said I would refer to the time when I visited what was then known as the Abel Tasman and went on to become known as the Margiris. Some people call it the supertrawler. I visited this ship—I was invited to go and have a look at it and I did so when it was located in Port Lincoln and subjected to that controversial ban. I took up the invitation and, I must say, that ship and its equipment are world-class. Senator Back, as you well know, to put to sea on an ocean-going global fishing boat you have to be highly technically trained, and the crew were. All of the equipment was first-rate, up-to-the-minute technology. The fisheries that they were to fish are already being fished. These were not extra fish being taken; these fish are already fished by numerous other, smaller boats. Imagine 24—

Senator Whish-Wilson interjecting—

Senator EDWARDS: Oh, and now we hear from the Greens. All of a sudden, we hear from the Greens. They do not want to hear the truth. They just want to perpetuate all their lies. These fish cannot be taken outside of quotas. Through you, Mr Acting Deputy President, if Senator Whish-Wilson wants to make a contribution to this, he can refute my claim. Are you suggesting that all the fish taken by any supertrawler are illegally taken, outside of a quota? All of these fish are taken within quotas. Imagine 24 small boats being put to sea with 24 crews taking the same fish that one boat would possibly take. The nets have escape hatches. Dolphins and seals can escape and do escape. This myth that all the sea is going to be vacuumed clean of all fish is hysteria peddled by those on the other side, who want to go and live in caves with no power and just wear bear skin rugs.

Senator Whish-Wilson: The coalition loves supertrawlers.

Senator EDWARDS: Mr Acting Deputy President, if you are not going to protect me from this barrage of nonsense that is coming from the Greens—

The ACTING DEPUTY PRESIDENT (Senator Dastyari): Order! The Senate will come to order!

Senator EDWARDS: This is an economical way in which to fish. It is an environmentally sensitive way in which to fish. People think that these fish are extra fish. They are not extra fish—they are already being fished. And do you know what? When they are fished by the 24 boats that put to sea, they have not got refrigeration. So that fish—the brown-fleshed fish, the pelagics—all go into a hold and do you know what they are used for? Fertiliser. Do you know what happens to the fish that are caught with these large harvest vessels? They get snap frozen and they are food grade, and they feed the nations of Africa. Mr Acting Deputy President, the Greens and Senator Whish-Wilson over there will not tell you that—

Senator Whish-Wilson interjecting—

Senator EDWARDS: Yes, that's what they turn it into.
The ACTING DEPUTY PRESIDENT: Senator Whish-Wilson, the senator will be heard in silence.

Senator EDWARDS: That is what you have when you put to sea with 24 boats fishing for the same fish. But what happens is that we turn it into food grade—if we were to allow this. We are going to turn it into fish for human consumption. We are going to try to feed the world. We do not want to feed the cats of the world; we do not want to fertilise the gardens of the world. We want to turn this into food grade fish. If you do it on a ship of the likes of the Abel Tasman or the Margiris, because they are big enough and have freezers, you snap freeze it and it is food grade. The Greens would deny the African nations a food source, a protein source. That is okay if you live in the leafy suburbs down there in Tasmania and you drink your lattes and have your sponge cakes on a Saturday morning after a nice pleasant week in the Senate. It is nonsense.

This is not about environmental sustainability. This is about taking fish that is already taken and, quickly and efficiently, turning it into food grade. Through you, Mr Acting Deputy President, I will be very interested to hear Senator Whish-Wilson's contribution and to hear how he can refute my claims of this efficient way of gathering.

Senator Ludwig's bill is just another intervention into everybody's lives. It is an absolute irony. In South Australia we have got these protected zones now. And when you question government officials about why they are doing it, they say, 'because they are pristine environments.' What? We are putting in marine parks because they are pristine environments? Do you know why? Because they are well managed already. Recreational fishers and commercial fishers abide by the laws. But no, the dead hand of bureaucracy has to come in and lay itself over the fishing industry. Here we are: once again the Labor Party just wants to pull back all of that and get hold of it again. Just put that uncertainty into it so that the banks will not invest. You can have your livelihood taken—like you did with the live cattle export. You can have your livelihood taken away from you overnight. If you let this bill pass in this place, that is exactly what will happen. You will have another layer of uncertainty. I conclude: I support sustainable fishing industries in South Australia and I do so today by opposing this bill.

Senator SIEWERT (Western Australia—Australian Greens Whip) (10:28): We have just heard the coalition arguing and denigrating, instead of being able to address the science. They are denigrating the arguments by having a go at people, calling people 'latte sippers'—the usual silly attacks that the coalition make when they cannot actually argue the point. The point here is that super trawlers around the world have actually broken our oceans and broken our fisheries. The reason we are getting better at managing our fisheries now is because we are in fact putting in rules and enforcing them for effective management of our fisheries. When we did not have that, we had our oceans being overfished.

As for this ludicrous argument that we will be feeding Africa, this supertrawler has been in the seas and oceans off Africa and has raped those oceans of fish for fertiliser, the very thing he has just said that we support. That is what they have been doing with supertrawlers—taking away the fish from Africa. Now he is saying that a supertrawler has to fish in our waters so that we can feed Africa when those very same supertrawlers have been taking the fish out of the oceans and depopulating those oceans. That is a ridiculous argument to make, just so he can make people feel sorry for the Africans, when he should be arguing for better
regulation of supertrawlers there too, so that African people can feed themselves from their ocean supplies, not have fish stripped out of their oceans and taken elsewhere simply for the superprofits of the supertrawlers. I might add that supertrawlers also get well subsidised and try to access every subsidy they can get around the world.

This legislation is a step, but it would not ban supertrawlers as the ALP would like to suggest, as when they brought in legislation regarding supertrawlers when they were in government. It is fallacious, as is being implied, that this legislation bans supertrawlers. This is why Senator Whish-Wilson proposes an amendment that would ban supertrawlers with a freezer capacity of over 2,000 tonnes. His amendment would actually ban those supertrawlers and strengthen and give backbone to this legislation to achieve what the ALP claim that this legislation does. This legislation was introduced by Senator Ludwig, a former minister for fisheries. The original bill that was brought in by the previous government allowed the minister to declare a prohibited fishing activity, but it had a sunset clause of 12 months.

The aim of the legislation that we are currently debating is to remove that sunset clause, meaning the environment minister's powers to respond to new fishing operations would remain in place. Of course, we are hearing that people want to have another go at letting the supertrawler slip through so it can start fishing in our waters. Currently, the government does not have powers to declare a prohibited fishing vessel and implement a review. As I said, the clauses of this legislation do not ban supertrawlers, and that is why we need to amend the bill—so that we do have the capacity to fight industrial-scale fishing, because that is what it is. This is industrial-scale fishing. There are significant problems with this legislation in that, as I have said, it does not ban the introduction of industrial-scale factory-freezer trawlers, the so-called supertrawlers, into our SPF. Labor's proposed legislation puts the discretionary powers in the hands of the Liberal-National ministers, instead of the people having a say through their representatives in parliament.

In fact, the Greens pointed out this failure to Labor in 2012, while they were in government and were claiming to be dealing with the threat of supertrawlers to our fisheries and ecosystems—because supertrawlers not only threaten our fisheries; they threaten our ecosystems. Yet Labor did not take on board our amendments when we very clearly pointed out the holes in the legislation. While Labor are now trying to fix this failure, it is misleading to say, as they have been claiming to constituents, that they are banning supertrawlers. This legislation clearly does not, unfortunately. They did not do it while they were in government and they are not doing it with this legislation—again, that is why we need the amendments that Senator Whish-Wilson has proposed, which actually do deal with it by banning trawlers with a freezer capacity of over 2,000 tonnes.

All parties at various stages have said that they support a ban on supertrawlers. Well, this is the opportunity to prove it. This is the opportunity to prove that you do actually want to ban supertrawlers, by supporting the amendments that we are putting, which fill that hole in the legislation.

Labor justified the sunset clause at the time by stating that, because the Borthwick inquiry—the so-called root-and-branch inquiry into fisheries legislation processes—was underway, it was appropriate to have a sunset clause. Senator Ludwig at the time quoted Minister Burke as saying in his speech on this bill:
By that time the root-and-branch review of the fisheries management processes should be in place, but we will have this legislation to be able to fill that gap in the interim.

Now we have the Borthwick review, a root-and-branch review, which has made a number of recommendations. The government need to implement these recommendations. They do not seem to have done anything with it. A particularly important point is that the Borthwick review has recommended a new third pillar to the legislation and management of Australia's fisheries, and that is one that directly addresses ecosystem impacts in the fisheries context. They say that for this ecosystem approach with a goal of minimising the impact of fishing effort on ecosystems, the government needs to address the balance between funding for private industry research and research for the public benefit of conserving the common and related ecosystem values. In other words, we need to include that in our legislation, and we do not at the moment and we have not seen a sign from the government of what they are going to do about it. That root-and-branch review showed that we have not quite got things right here. We do need to look at the impact on our ecosystems and at ecosystem science.

With this bill the ALP are trying to make people think that we are banning supertrawlers. As I said, supertrawlers will not be banned by this bill. While the opposition calls this tough legislation, it is not tough enough and it needs toughening up. We have heard a number of people quoting the expert panel review of the processes put in place under the previous legislation, introduced by the ALP when they were in government. I find it fascinating that the government has been quoting that review to justify their opposition to this legislation. It is really quite bizarre.

The review actually vindicates the position that the Greens, recreational fishers, environment groups and the broader Tasmanian community took when the supertrawler first appeared on our horizon a couple of years ago. The report found that, even if protective measures were put in place, the supertrawler would impact on protected species like seals, dolphins and seabirds and would potentially lead to localised depletion of fish stocks. As my colleague Senator Whish-Wilson said recently in response to the release of the expert report, the Greens have long argued that the science on the wider impacts were too uncertain for the minister to make a call on allowing this gigantic floating factory into our waters—in other words, to allow that industrial-scale fishing. We are still a long way from the point where we would be confident that industrial-scale fishing from a supertrawler would not have these impacts. That is one of the reasons that we need to amend the private member's bill before us—because we know that we need to do further work to ensure that industrial-scale fishing is not impacting on our marine ecosystems.

It is time that we acknowledged that supertrawlers are not the way to manage our oceans. The Greens have long been concerned about fisheries management. People from the government will claim that it is because we do not support fishing. That is absolute bunkum. It is simply not true. We want sustainable fisheries management because we want fish in our oceans for the future. Not only are they a critical part of our ecosystem; we know that many communities rely on fishing. But we do not want to see our oceans in a state where whole ecosystems have collapsed and we are no longer able to fish, because fisheries have collapsed.

Australia does have a proud record of good fisheries management—better than most other places in the world—but that does not say that we have it perfect. Quite clearly, the Borthwick review and the expert report show that we have not got it perfect. The Borthwick
review shows that we need to change our legislation so that we do incorporate better science on ecosystems. We do need to understand the impact of fisheries better, and we do need to keep ensuring that Commonwealth managed fisheries do not go backwards. It has taken quite a lot of effort to ensure that those fisheries do not go backwards. When I first started working on fisheries management many years ago, the Commonwealth could not claim that some of those Commonwealth fisheries were not going backwards, and it has been a lot of work to get them to the point where they are starting to improve. That is not to say that we should rest on our laurels; that means that we need to keep working to make sure those fisheries are protected.

Supertrawlers have broken our oceans around the planet. We should not be supporting supertrawlers. We support legislation that bans supertrawlers so that we do not have to keep fighting this issue every couple of years. If this private member's bill is not amended along the lines proposed by Senator Whish-Wilson, we will have to keep fighting this issue every couple of years, every time a supertrawler wants to sail over our horizons to start fishing on an industrial scale in our waters. It is simply not appropriate to compare numbers of boats to a supertrawler. A supertrawler can stay out at sea for a very long time. That is why we are proposing the limit of 2,000 tonnes—so that supertrawlers cannot stay out for weeks and weeks depopulating our oceans.

One of my passions is marine protection. There have been decades of work done on the need for better marine protection. The way that the Abbott government essentially got rid of the world's leading marine parks and reserves system in this country, after over a decade of work that did all the science, was disgusting. It did all the science, it did the consultation and it put in place that world-leading system of marine protected areas. We have just had the World Parks Congress in this country, and I am so disappointed that I missed it. It only happens once every 10 years. All the leading experts on nature conservation from around the world come to one place and talk about protected areas, national parks and nature reserves around the world. I was so embarrassed that we no longer had what was, for a short length of time, the world's leading system of marine protected areas, which not only ensured biodiversity protection and ecosystem protection but fishing into the future. The science is there about the roles that marine protected areas play in protecting fish stocks and ensuring that they are there for the future. And what does this Luddite government do? One of their first actions on coming into government was to wipe that system off the face of our maps. They took away the management plans, which essentially means that now all you have is a system of lines on a map. Now the government are spending millions of dollars doing their review, when it is quite clear that the science was done and that the consultation was carried out. Because they are bowing to some of their noisy constituents who want to do whatever they want in the marine environment, they have got rid of those areas.

The support for marine protection in this country is very high. In my home state of Western Australia, surveys show that over 70 per cent of people consistently support marine protection. Those areas need to be restored. The government talks about wasting money and red tape. Well, the government are wasting money in their review of those protected areas. They are simply doing it so that they can find an excuse to wipe out those areas permanently. It is a disgrace, and how the government could show itself at that World Park Congress and pretend it is doing something about marine protection is a complete joke.
This bill needs to be strengthened. Supertrawlers will be yet another impact on our marine environment, a marine environment that is under pressure from overfishing, from extraction, from run-off from land-based sources of pollution and from climate change. We are already seeing the impact of climate change on our marine environment, and, in particular, in some of those colder water temperate marine environments that are getting warmer. This is disturbing the ecosystems around Australia, in particular, in some of the southern areas, with some of the waters warming.

You are seeing, in my home state of Western Australia, marine species turning up much further south than they have ever been before. As I have said in this place before, that means that we need to change the way we are managing our marine environment and managing our fisheries because we are getting species that have not been there before. You are seeing invasive species that have never been seen before. They are taking off and invading marine environments and having an impact there that we have not seen before. That adds to the pressures on our marine environment.

What this government obviously wants now is to enable supertrawlers to come in and add another impact to that marine environment. The science that they were using to justify the supertrawler previously—the Abel Tasman or the Margiris, whichever name you want to call it—was not done on that specific pelagic fishery. It was not done on those species. It was done on jack mackerel, and marine scientists have shown the flaws in that science. The expert panel says that there is a great degree of uncertainty there and that we should be using the precautionary principle. The Borthwick review says that we need a third arm to the research that we do, looking at ecosystem science.

It is time that we took marine protection seriously. We have a short window of time to get this right. We need a series of marine protected areas. Just restore it. The work is done. Just restore those marine parks. Change the legislation so we can have a genuine, quality look at ecosystem science when we are doing fisheries management. Build on our international reputation for good fisheries science. We are some of the world leaders in our fisheries management. We do not want to see that go backwards. We want to keep progressing. It is another area where we can help regionally as we build our scientific marine expertise on the already excellent science that we have got here and the quality of our scientists. It is excellent. We need to build on that, and we can be helping the regions.

I know some of that has been done. But as the climate impacts on our marine environment we need to make sure that we are building that science and also helping regionally because the oceans are that key thing that link us all together. So we need to be making sure that we are getting that right, that we have our science up-to-date and that we have our processes in place that protect and sustain our marine environment. The supertrawlers do not do that. They have broken the oceans elsewhere. We will not stand by and let them break our oceans. We believe this legislation needs to be improved. It needs to genuinely ban supertrawlers because it does not do that. Once this amendment is in place we would be able to support this legislation.

Debate adjourned.
Fair Trade (Australian Standards) Bill 2013
Second Reading

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

Senator BACK (Western Australia) (10:48): I rise to speak to the Fair Trade (Australian Standards) Bill 2013 as it has been proposed by our colleague Senator Madigan. I wish to put on record that I do not support the bill as it has been presented by Senator Madigan. But, at the same time, I do want to express my support for the sentiment that has been expressed by Senator Madigan and his deep interest in protecting Australian industry, protecting Australian jobs and protecting Australia's place in the world. The situation is that the bill, as it has been presented to the Senate, will do nothing to advance the interests of Australia or Australian consumers or, indeed, the Australian economy. But it would leave our exporters vulnerable to retaliatory action by other countries.

It is important that we are very clear on the circumstances of Australia—its economy and its place in the world—and why Australia enjoys such a high per capita income and why we are regarded as such a wealthy country. We are only 23 million people in the same land mass as the United States of America, which has some 350 million people, and we have the same population, indeed, as greater New York. When you have a look at China, with 1.2 billion people, or you look at India, which is rushing towards 1.2 billion people and which has the same land mass as Western Australia—only one third of our continent—it is interesting to reflect why it is that we actually do enjoy such a high per capita income.

There are a number of reasons. One has been, and hopefully will continue to be, cheap energy. But the other point that has got to be made very strongly, relevant to this debate, is that we are an exporting country. We cannot consume anywhere near what we produce. My own home state of Western Australia is an example when it comes to grain production, particularly wheat production. We export about 95 per cent of everything that we produce. The point is that Australia must observe its obligations under World Trade Organisation agreements, its commitments and its commitments to free trade. We must be able to regulate goods that are sold in Australia and prevent the import of goods that do not meet our mandatory standards.

Of course, it is necessary for people to understand that there are elements within Senator Madigan's bill, the Fair Trade (Australian Standards) Bill 2013, that will adversely impact on our capacity, impact on our reputation and impact on our compliance with world trade and other agreements, and I want to go through some of those. The point I want to leave the chamber with is that Australia is a major beneficiary of World Trade Organization agreements and, indeed, the other trading agreements to which we are a signatory.

There are times, I have to say, when these agreements are frustrating. I think back to the debate that we had over the importation of apples from New Zealand. An enormous amount of argument went on, and I led the arguments with the Department of Agriculture, Fisheries and Forestry. The sequence of events was that the then Prime Minister Gillard in Wellington, New Zealand said, 'We're going to allow the importation of your apples into Australia,' and all of a sudden the very DAFF officials who had argued so eloquently against apples from New Zealand coming into Australia had to change horse midstream, or 'change stream midhorse'—
whichever you want to take on board. Then they had to argue to our Rural and Regional Affairs and Transport committee why, after all the reasons that they had previously given for why apples should not be able to be imported from New Zealand into Australia, they now could be. I am one who argued vehemently, but the point that I need to make is that it went to the independent international arbiter, the umpire, the World Trade Organization. We put our case, the New Zealanders put their case and it came down in favour of New Zealand. To this day, I still argue about the risk matrix that was adopted. Nevertheless, we are in a global trading environment. We must accept the rules of the umpire if we want to play on the oval, and that is exactly where we are. We cannot pick and choose. We cannot have a set of circumstances in which we place greater burdens on the importers of products coming into this country than we would expect to be placed upon us.

Once again, by way of practical illustration, I think of the move made in 2009 when the then Prime Minister Rudd and the then trade minister Crean put pressure on the then agriculture minister Burke to allow, in a cursory way, the importation of beef from the United States and Canada—Japan was also an applicant in the process—without going through an import risk analysis process. It was largely Senator Heffernan, supported at that time by Senator Nash and me, who led a very spirited campaign over an extended period of time in which we were able to prove to Minister Burke that he should indeed require a full import risk analysis.

Because it is absolutely relevant to this legislation, I want to share with the chamber some of the background. One of the precepts, one of the absolute rock hard conditions associated with world trade agreements, is that you cannot impose on another country that which you do not impose on your own producers. We had a circumstance where Japan, Canada and the United States of America all wanted a lifting of sanctions against the importation of beef. Those countries, especially Canada and the United States, had had BSE, bovine spongiform encephalopathy, better known as mad cow disease, a disease which we know had been transmissible to human beings. Of course, we all know about the BSE outbreak in the United Kingdom in the middle part of the last decade. Japan, unfortunately, had an outbreak of foot-and-mouth disease, so they ceased to be an applicant under this process.

What was interesting in that whole process is that it came down to a national livestock identification system. The United States of America claimed that we were imposing sanctions, hurdles or barriers on them which we did not impose on ourselves. We in this country do have an NLIS for our cattle herds. For a consumer purchasing a retail product today, should anything adverse occur we can go right back through the supply chain from that product in the retail store, back through the wholesaler, back to the facility at which it was processed and then through to the original property. So we were able to prove to the Americans that, since they did not have a national livestock identification scheme, we were not imposing on the Americans anything greater than we imposed on our own producers.

Acting Deputy President Sterle, you were of course part of that committee process. Basically, it was World Trade Organization agreements playing out in the correct space. So America was unable to continue that line of argument. To finish off the trifecta, right in the midst of it all a seven-year-old Angus cow from Manitoba in Canada was diagnosed with BSE. The end result was that Mr Burke, the then agriculture minister, did require that an import risk analysis process be undertaken.
I make that point to the chamber because it shows that we are part of international trade and how important international trade is. The two examples that I have given—one that went against us with the importation of apples from New Zealand and one which went in our favour in relation to the importation of beef from North America—are prime examples of the fact that, at the end of the day, the umpire must be allowed to regulate and to dictate. If you want to play on the field, you have to be subject to the rules of the umpire.

What the bill would do is actually skew those rules. It would impose on our importers a greater burden than we would be imposing on our own producers or that we would want imposed on ourselves as exporters. Unfortunately, you cannot have it both ways. We need to ensure that a country’s mandatory import requirements do not create unnecessary barriers to trade, taking account of the risks that noncompliance with those requirements would create.

I will give you yet another example of how important it is that we retain and maintain the regulatory environment in which we now work. As a young veterinarian I recall that the importation into the United States of our manufacturing beef was a growing market. Today it is, of course, vitally important. Australia exports manufacturing meat equivalent to what the McDonald's chain in the United States itself actually sells on a daily basis. But back in the early 1970s, when these rules were not as strong as they now are, the United States beef lobby was strong enough to influence the US Department of Agriculture to place upon Australia a set of requirements—in this case, that we be free of tuberculosis and brucellosis, which indeed America was not and to this day is still not free of. You might ask: when it comes to brucellosis, where was the importance?

The ACTING DEPUTY PRESIDENT (Senator Sterle) interjecting—

Senator BACK: I am glad you asked that, Acting Deputy President, because brucellosis is actually a disease of the reproductive system and has got nothing to do with meat quality. In the case of tuberculosis, what were the Americans doing requiring Australia to be free of TB when they themselves were not? That was a trade barrier. Because the industry was so important to us in the early 1970s Australia in fact did eradicate it. We had the Brucellosis and Tuberculosis Eradication Scheme. We were the only country in the world to have eradicated both of those diseases, of which our profession today and the Department of Agriculture at the time are justifiably proud. But it makes the point that a barrier had been placed upon this country simply for trade imposition purposes. When we actually got rid of brucellosis and tuberculosis, they had another go. They said, 'Your export abattoirs have got to be lifted to a very high standard, indeed, a standard higher than those of the American abattoirs for their own domestic consumption.'

So we have moved on in the world and now both our sanitary and phytosanitary measures, some of which I have given examples of today—the SBS agreement—and the Technical Barriers to Trade Agreement are critically important pillars in the World Trade Organization framework. Those, in my very strong view, have to be protected and enhanced.

The difficulty that would confront us is that this bill, if passed, would actually make trade negotiations with other countries, those critical to Australia, our export wellbeing and the wealth of this economy, very much more difficult. It would have the effect of actually putting barriers in place, because if we impose any barrier on an importer then we can expect there will be an equivalent action against us as exporters. As I have just pointed out, we actually export about 65 per cent of everything that we produce.
The bill, if passed, would require Australia to give less favourable treatment to goods imported from free trade agreement partners than treatment given to goods from other countries. In other words, we would once again be skewing the market and removing what in fact is critical to international trade. We would be giving one group of importers an unfair advantage over others. They, in turn, would logically, necessarily and quickly impose exactly the same sorts of restrictions on Australia. The bill, if passed, would require that Australia not consider applications for Australia to accept conformity assessment procedures in other countries as being equivalent to those in Australia. I draw, again, on the analogies I have just given you with regard to BSE beef of that exact circumstance, that of conformity and assessment procedures in other countries being equivalent to those in Australia.

Mr Acting Deputy President Sterle, you will recall because you were part of that committee process, that at that time we said, 'We are not imposing on those other countries anything greater than we impose on our own producers. We have the national livestock identification system and therefore we would expect any importing country to meet those same levels of requirement.'

The bill, if passed, would require that Australia not consider applications for Australia to accept that another country's requirements are equivalent to Australia's in terms of policy objectives being pursued. There is an analogy here with New Zealand apples. We argued that case. We believe that a different set of requirements were being imposed. It involved, if you remember, the use of the antibiotic streptomycin, used at some stages in the production cycle of apples in New Zealand and not used here in Australia. And that was the argument which you and I and others presented at the time, but which the umpire determined otherwise. If we want to be part of international trade, as we do, we have simply got to say with respect to this particular case: the umpire's decision is final.

As an aside, I still regard that we probably did not do as good a job as we could have done in the appeals tribunal but you, Acting Deputy President Sterle, in football circles would probably have appeared before the tribunal more often than I did. So maybe we should have sent you to Geneva to argue the case.

Another point I need to make is that, if the Madigan bill is passed, it would require that Australia adopt import requirements that have the effect of creating unnecessary obstacles to trade. The example I give you, again, is that of the United States doing that to us in the 1970s, with diseases like brucellosis, tuberculosis et cetera. We cannot have that. We have moved on from that circumstance. Just look at what an advantage that has been to our country. Look at the current level of export of agricultural produce, in the case of manufacturing beef, to the United States of America. Of course, we all know of the possibility of retaliatory action. One of the great strengths of the WTO process is its binding dispute settlement system. We just cannot opt out if we do not like what the chairman of stewards tells us. We take it on the chin, we correct it and if we want to stay playing in the game and keep on the course we must then obviously comply. We cannot opt out, and it is tremendously to Australia's benefit that we continue to opt in.

It is the case that the dispute settlement rules do allow a complaining country—and we do plenty of that—to apply retaliatory action against a defending country's exports if the defending country has been found to be acting in breach of its rules and does not act to remedy those breaches. We are in an exciting phase now. We recently concluded the Korea-
Australia Free Trade Agreement. We are hopefully in the final processes of concluding the Japan-Australia Free Trade Agreement. And we witnessed the signing the other day by trade minister Robb and the trade minister from China of the China-Australia Free Trade Agreement. These are all incredibly exciting opportunities.

I want to conclude by talking about Australia's role as a developed country in assisting least developed countries, underdeveloped countries and the small island development states. The best way we can help those countries is to encourage their development of trade, to encourage their domestic consumption so that they will get to the stage where they themselves will be net exporters and we have a set of rules and guidelines in place that will allow them to actually grow economically and to develop their people to move them towards middle-class aspirations, all within a World Trade Organisation framework. That is where I stand.

Senator MOORE (Queensland) (11:09): Labor understands, appreciates and values Senator Madigan's concerns in the area of fair trade. His activism has been well known, and we value it. As we know, this time of the debate is when I turn around and tell Senator Madigan that we are not supporting his bill; that seems to be the way it operates. But we want to go into the range of issues that are being brought forward and into why we are not supporting the bill at this time. I also want to put on record how much my dad would have enjoyed those comments made by Senator Back, about the beef industry. As a long-term member of the beef industry and a cattle buyer, he would have loved to hear those terms running off your tongue, Senator Back—the diseases of cattle; he loved them. We had books all over our library at home that talked about all those conditions. So, your speech brought back good memories.

I will now turn to Senator Madigan's bill, the Fair Trade (Australian Standards) Bill 2013. The stated purpose of the act as spelt out is to increase the standard of products sold on the Australian market in a fair and reasonable way. Its principal object, as contained in section 3, is to encourage Australia's trading partners to ensure that goods that are imported into Australia from a country that has a trade agreement with us are subject to minimum standards in relation to the quality of the goods. The bill will require Australia's trading partners to ensure that companies that export goods to Australia take responsibility for ensuring that their manufactured goods meet Australian standards prior to being sold on the Australian market. Australia's trade negotiators will be required to ensure that the appropriate requirements are included in any trade agreement that Australia enters into with any other country.

We believe that the Senate should not pass this bill, because the bill has not been drafted or explained in a way that would allow the Senate to have the confidence that, if enacted into law, it would achieve the objectives we have just spelt out, which sound fair and reasonable and would ensure that those objectives would be met. I know—and it is a very difficult issue—that resources at Senator Madigan's disposal to research and prepare a bill and an explanatory memorandum for presentation to the parliament are limited, and that is one of the issues in the way the process operates. Certainly they do not even come close to what we in the opposition have or to what the government has. However, when we are asked to consider passing a bill into law, the quality and the details of the legislation must be of paramount consideration. We are not convinced that the bill we are debating today achieves the very objectives that Senator Madigan intends. Nor are we convinced that it represents good legislation in its form.
It is of grave concern to us that this bill has the potential to actually damage Australia's trade relationships, which are essential to the growth of our economy—although we accept that this is not and never has been the intent of Senator Madigan's bringing forward the bill. The bill purports to protect Australian consumers from products that do not meet Australian standards and have been known to risk people's lives. We have seen media reports around that, and it has been extremely concerning. There are recent cases that have received considerable media attention about imports that have not met standards and have caused damage and in some cases death. So, there is a background there and a strong need to take action. However, while we share Senator Madigan's concerns about the reliability and safety of goods, we are not convinced that trade policy is the mechanism for enforcing appropriate standards. And that is what this bill is about.

Australia has domestic product standards and a very strong associated compliance framework that should not be tied to preferential trade agreements. This bill imposes high regulatory burdens and additional costs on Australian exporters and foreign firms for what could be of little or no foreseeable benefit. It also discriminates by only imposing restrictions on imports from countries with which Australia has a trade agreement. Although we recognise that Senator Madigan sees this as a legitimate avenue for addressing the problems, it goes without saying that goods imported into Australia do not come only from those countries with which we have a trade agreement. Senator Madigan has talked about double standards. The premise lying behind the bill is that Australian manufacturers are being undercut by cheap imports. Yet we believe that an unfortunate consequence of the bill is that it would impose restrictions on our trading partners—the very countries on whom our exporters rely for their income—yet not on imports from those countries with whom we do not have a relationship through trade agreements.

In the adjournment debate here in the Senate on Tuesday 23 September, Senator Madigan gave this explanation for why he has introduced the bill into the Senate:

In the media in recent months, we have been inundated with examples of products being imported from overseas that do not meet Australian standards, yet they are not covered under the ACCC’s area of authority or anyone else's area of authority.

This bill creates a holistic solution, which will ensure responsibility and accountability so that standards are enforced across borders, with the assistance of foreign diplomatic assistance at the highest level.

We say to Senator Madigan: if the problem is the standard of products on the Australian market, then we should be addressing that problem where it matters—right here in Australia. The problem does not stem from our trade agreements. Trade agreements did not create a gap in Australia’s domestic policies for the regulation of product safety. Unfortunately, we believe this is an attempt to increase protection for one part of the economy, not for consumers, which will in fact come at much greater cost to Australian exporters and, in fact, Australian consumers. Senator Madigan makes no secret of this with his second reading speech outlining that this is not a bill about consumer protection but about levelling the playing field between importers and domestic producers.

Let me now go to the text of the bill and address Labor's concerns in specific terms. Section 4 requires a trade agreement to include certain provisions, creating a binding obligation between the countries party to the agreement to enforce each other's product standards. The substantive provision is subsection 2, which states that, prior to entering into
the agreement, the Commonwealth must ensure that the trade agreement includes a binding requirement that goods sold to a purchaser located in one country by a company or entity located in the other country should comply with all applicable product standards that apply in the purchaser's country; or, if the goods do not comply with all applicable product standards that apply in the purchaser's country, the company or entity selling the products must ensure that the goods are improved to standards that comply with all applicable Australian product standards.

This is the crux of the bill, so let me break it down. The provision binds the Commonwealth to include this clause in every trade agreement it signs. It means that products must meet the higher of the Australian standard or the standard of the country they are being exported to, or that products being imported into Australia must meet the Australian standard regardless of any other standards that might apply in the exporting country. Section 4, subsection 1, states this applies to a new trade agreement and an agreement that amends an existing trade agreement. Imposing such conditions on new trade agreements will be difficult, but it also applies to existing agreements where they are amended, even if the amendment is made in an area totally unrelated to the import and export of goods.

Unfortunately, whilst Senator Madigan is seeking to close the gate on imports below a certain standard, we believe this provision would in fact leave that gate slightly open. Let us accept for the purposes of this argument that there is a problem with below-standard products being imported into Australia and that somehow it is possible to fix this problem through a trade agreement. If this is a problem, under the provisions of this bill, not only is this problem not actually resolved but Australians could face a situation where products imported under a new agreement are covered, products imported under an existing agreement are not covered, products imported under an existing agreement that has been amended are covered, but products imported from a country with which there is no agreement exists are not covered at all. This is not the best approach. Consumer safety must be of paramount importance and we all agree on that. We believe that the situation put forward in this bill will not make the Australian consumer feel any safer. I return to the point that trade agreements are not the place to enforce product standards. They are not the place to enforce product standards because, as the example I just gave demonstrates, there are in fact no standards at all.

Section 5 creates the prohibition on the Commonwealth entering into trade agreements that do not include the product standard requirements. Section 6 defines the meaning of a trade agreement as being an international agreement that the Commonwealth has entered or will enter into with the government of another country or with the governments of a group of countries that will abolish or decrease tariffs or other import charges that are levied or charged by Australia at the time goods are imported into Australia. I note that this includes agreements negotiated under a World Trade Organisation or United Nations framework.

It is unclear how the obligations imposed by the bill would be enforced. This is a flaw in this legislation that provides an obstacle to our support. The explanatory memorandum only says that this would be the responsibility of embassies, by stating 'standards are enforced across borders, with the assistance of foreign diplomatic assistance at the highest level'. I have a great deal of confidence in our diplomats and staff in agencies such as Austrade, but I am not sure how their expertise translates to being the gatekeepers for products being exported out of the countries in which they are based to ensure they meet technical standards. If
product standards are a problem, and in particular the testing of products, then there is a much greater imperative to act. It would be more appropriate if Senator Madigan talked about how we could bring forward some proposals to arrest a gap in the regulation of product standards and compliance. We believe that should be done domestically.

Trade liberalisation is essential for Australia to secure markets for our exports, as long as Australia's national interest is not traded away. The opening of Australia's economy, including the dismantling of barriers to trade, has been one of the most important reforms of the modern era. It has built today's dynamic and competitive Australian economy. It has improved the living standards of millions of Australian working people, and it has stimulated the growth of innovative and entrepreneurial Australian businesses. Australia is no longer a closed economy. That is not something that has just happened this year, in the last five years or, indeed, in the last 10 years. No longer do we live in a country shielded by a wall of tariffs and protection, closed to the world. This is not where we have lived in for a very long time. There is a sense in some quarters of this debate that somehow competition from overseas is some sort of new innovation, but barriers to imports in this country have progressively been dismantled over more than four decades.

I am now going to be indulgent and talk about Labor's history in this area. It is a good time to talk about the good times. I think of the dramatic cuts to tariffs under Gough Whitlam, the first bold steps to create a new approach to trade policy after the protectionism that was one of the five pillars of the Australian settlement, enduring from Federation in 1901 until the 1970s. Then we move forward to the economic reforms of Bob Hawke. I remember Hawke's Treasurer, Paul Keating, working alongside him to achieve these objectives. And then Keating became Prime Minister. He led the nation with not just an economic vision but a social and cultural one that included opening our relationships with our neighbours in Asia and recognising that Australia's export future lay in our region. In that cabinet they had John Button, Labor's industry minister from 1983 to 1993, who worked to assist employees of industries that were no longer competitive to transition into new employment. Those transitions were hard—and people remember how difficult that time was and the debates that occurred across the community and, indeed, across our own party at the time—but it was agreed that the change was necessary. In the trade portfolio, John Dawkins founded the Cairns Group of agricultural exporting nations, an important bloc in the World Trade Organization which has advocated for freeing up trade in farm goods. Peter Cook, with whom I was privileged to serve for a period in this place when I was first elected, helped bring the World Trade Organization's Uruguay round to a successful conclusion.

The legacy continued with the Rudd and Gillard governments. Both of those prime ministers maintained a strong focus on Australia's international relationships whilst in office. They were supported in many portfolios by Simon Crean and Craig Emerson. As Minister for Trade, Crean negotiated free-trade agreements with Chile, the Association of South East Asian Nations and New Zealand, whilst Emerson negotiated a free-trade agreement with Malaysia, helped launch negotiations for a global trade-in-services agreement and opened new pathways for progressing the World Trade Organization's Doha round.

All these Labor governments have played important roles in dismantling protectionist barriers. Labor recognises that reducing barriers to trade can boost our economic growth, create more competitive industries and give consumers access to a wider range of goods and
services at lower prices. However, the imposition of this sort of legislation without consultation with industry would lead to the loss of Australian jobs. So when we talk about protecting jobs—and I know that Senator Madigan is very strong in this area—we need to consider how we can really ensure a secure future for Australian workers. In the decisions that we make in this parliament we can seek to achieve this objective by either looking backwards or looking forwards.

We in Labor will continue to do what we have done for the last 40 years and look forward, recognising that our national prosperity will only increase if we are able to find new markets for new exports. In order to achieve these important goals we must also reciprocate and open our markets to other countries. This debate will continue; it must continue, because that is our future. When we are talking about interaction in this free-trade environment, there will be concerns raised, but they must be acknowledged and then we can work together to see how we can make sure we balance the protection we need for our jobs and industries and our important role in future trade agreements. That must continue.

With Senator Madigan proposing in this bill to set up a mechanism in a trade agreement in an attempt to solve a problem relating to consumer safety, it means that we are confusing the responsibilities we have. We acknowledge that we have deep concern about product quality and the protection of consumers, but we do not believe this debate should be had within the trade portfolio. Labor supports mechanisms that improve safety for Australian consumers, and that means deep scrutiny and exposing products that do not meet Australian standards when they are in our community. That surveillance must continue and it must be strengthened if there are weaknesses seen in that area. This bill does not achieve that objective. It attempts to create a legislative protection that only applies in a narrow and limited circumstance with countries with which we have trade agreements, and we believe it is not enforceable. What is more, it effectively winds back policies to open international markets to Australian exporters, which will damage Australian industry and the Australian economy.

We understand the intent of the bill. We want to work to ensure that we have protection for the standards in our community, and we acknowledge the people who work in that part of compliance across the nation. We also acknowledge the loss of life that has occurred—and it has been publicised—through bad products that should be excluded from our market. We should always remember that these debates are stimulated by real cases, and I do not think we should have the debate without acknowledging those people who have been injured or killed. Recently it was to do with connections to telephones. There were cases around telephones and a young woman who was killed overnight by that use. Naturally, we all share an abhorrence of that and it should not be allowed to continue. However, we do not believe that linking product safety and product standards in the Australian community with impositions on our trade and the trade portfolio is the best way of working forward to achieve the common goal of safety and security for Australian consumers and Australian industries.

Senator IAN MACDONALD (Queensland) (11:27): First of all, I congratulate Senator Madigan on raising this issue which deals with fair trade and Australian standards. It is an important discussion. It is particularly important to the part of the world that I come from. In fact, I have just had to leave a meeting in my office with my Queensland LNP Senate colleagues—Senator O'Sullivan unfortunately had to leave a little earlier—and the mayors of five of the shires in the Townsville region who are all very keen to promote their parts of
North Queensland for trade and investment with the booming Asian economies. I thank Mr Ewen Jones, the hardworking and ever active member for Herbert, based in Townsville. I was pleased to welcome to my office Mayor Jenny Hill, from the Townsville City Council; Councillor Frank Beveridge, the mayor of the Charters Towers Regional Council; Mr Rodger Bow, the chair of the Hinchinbrook Shire Council; Mr Alf Lacey, from the Palm Island Council; and my own mayor, Councillor Bill Lowis, from the Burdekin Shire. Those five shires are banding together. They have come to the national capital this week at the invitation of Mr Jones to make sure that their message is heard in relation to trade considerations with Asia. They have been ably supported by both Townsville Enterprise Limited and the Townsville Chamber of Commerce who have a very clear focus on trade between this part of Northern Australia, Asia and the Pacific. Trade is always something that is very much front-of-mind for those of us who live in Northern Australia. For that reason I am delighted to participate in this debate that has been initiated, as I understand, by Senator Madigan.

I regret to say that, whilst I understand the sentiments of the bill that Senator Madigan has proposed, there are some issues with the bill that perhaps could be unintentionally counter-productive. Just by way of background, I indicate that Australia always retains the right, both under its World Trade Organization commitments and its free trade agreements, to regulate goods sold in Australia and to prevent the import of goods that do not meet Australia's mandatory standards, and that is very important. It is a principle that has been in Australia's trade relationships for a long time. Australia's import requirements for goods are established by taking into account the framework of rules established by the WTO. Australia benefits very substantially from those rules because, without them, Australian exports could be vulnerable to political and protectionist pressures in other countries. That is always a problem with trade negotiations, generally.

I suspect there would not be many senators in this place who have not, at some time in their lives, been approached by a constituent who said something like, 'Look, why don't we stop the Philippines importing bananas into Australia? Why don't we stop Asian countries importing motor vehicles into Australia so Australian industries can have a free go?' That is okay, and in the old days that was the way things were. What we have to understand is that, if we want the Philippines to buy our goods and services and if we want the Asian manufacturing countries to buy our technology, our services and our agricultural products, then we have to make sure that we have the freest possible trade between the countries. If we start putting up trade barriers, then you can be assured that other countries will retaliate, and you would not expect otherwise.

Particularly for our primary producers, it is essential that we have the freest possible trade. Australia produces much more in the way of food and general agricultural produce than we can possibly consume. So, Australian industries—two that I am very familiar with in the north are the sugar industry and the beef industry—can only exist because countries buy the products we sell that are surplus to our own needs. I might say that in both those instances the surplus is far more than what we consume nationally. So, the freest possible trade is essential. When you do things that interfere with that trade, like the absolutely, ludicrous, ridiculous and unintelligible ban on live cattle exports to Indonesia, you get retaliation, and that is what we do not want in our trading arrangements.
In looking at Senator Madigan's bill a couple of the things that spring to mind lead me, in this instance, not to support this bill. The bill, as I read it, would make free trade negotiations, which are crucial to Australia,—particularly to our agricultural and horticultural industries,—much more difficult to negotiate. The bill suggests that Australia would be required to give a less favourable treatment to goods imported from free trade partners than treatment given to goods from other countries. Free trade agreements are, of course, all about making trade easier and more efficient.

This bill would require that Australia not consider applications for Australia to accept conformity assessment procedures in other countries as being equivalent to those in Australia. Similarly, as I understand this bill, it would require Australia not to consider applications for Australia to accept that another country's requirements are equivalent to Australia's in terms of policy objectives being pursued, even if the detail of those requirements is not the same. This bill would require Australia to adopt import requirements that have an effect of creating unnecessary and therefore unfortunate obstacles to trade. Also the bill, as it is drafted, would place a legal burden on a foreign exporter in their own jurisdiction, in contrast to the current process which places the onus on the importer operating with Australia.

If these measures were introduced, you could expect some retaliation. As I said, the most recent example that comes to mind is the Indonesian—understandable—reaction when, overnight, we cut off a food supply which provided about one-third of the protein supplements for that populous nation to our north.

We have to be very careful in all trading arrangements to make sure that we do not invite retaliatory measures, because Australia as a nation—no matter how good we are, how rich we are or how many natural resources we have—cannot exist as a nation without the freest possible free and open trade. I mention that in the North, and in the recent free trade agreements with Japan, Korea and China, the sugar industry do feel as if they have been singled out for bad treatment because unfortunately sugar has not done very well in any of them. But there is a reason for that. With the most recent agreement we understand that there is a significant sugar industry in China, and the Chinese were going to have a particular local political problem if cheaper better Australian sugar was going to enter the Chinese market. We had to recognise the Chinese difficulties in the negotiations, as they recognised some of the issues that we had with the state development regulations—which we would like to have seen more explicitly mentioned.

Sugar is a very important export commodity from Australia. Most of the Australian sugar crop is exported. I am hopeful that the fantastic negotiations by Mr Robb will mean that sugar will again be considered in the review in three or four years' time, which has been negotiated as part of the overall China free trade agreement, as I understand it. There I hope sugar may be a bit better dealt with. We do already export quite a lot of sugar to China, but there is room for improvement in that. But most essentially, in any negotiations on the Trans-Pacific Partnership agreement sugar must be included in a way that benefits Australia. The sugar industry—and, indeed, many of my colleagues and myself—will draw a line in the sand if sugar is ignored in any future Trans-Pacific Partnership arrangements. I digress slightly from the bill, but I wanted to indicate just how important it is, and how delicate negotiations are, for free trade agreements.
I mention again the high-powered delegation of mayors from five of the more prominent local authorities in Australia who are in Canberra making their views known and working very hard to advance the economic base of their own communities—which flows on to the economic base for Australia. They are determined to make sure that their shires and, indeed, to ensure that the whole of Northern Australia is seen as a liveable place and a good place to be with all the necessary social services. There are a number of ways that this can be done. The Australian government, of course, has to do its bit to help. I know our tourist traffic with Asia could increase substantially if we had a little bit more access from Northern Australia into the burgeoning Asian economies, those with increasingly large numbers of middle-class Asians who are looking for holiday experiences elsewhere. Already in the North we have good international airports in Darwin and in Cairns, and we continue to promote those places as destinations.

There is a group called AirAsia who would like to establish a new direct international link from Townsville—clearly numerically the biggest city in Northern Australia—direct to Denpasar in Bali and from Denpasar out of the AirAsia hub to the rest of the world. I understand that the fares that are being talked about are so attractive that even someone of my limited means would be able to fly from Townsville direct to Bali and then on to Asia if the air link were able to be established. I know that Townsville airport is limited but those who run the airport there are very keen. They have set everything up, they have made concessions and they are well advanced in opening this new international link. Unfortunately, the difficulty is the cost of getting Australian Customs support for an airport that does not have a permanent Customs presence at the airport. Customs do have a permanent presence at the Port of Townsville, the seaport, and I hear—and I will explore this later in estimates this afternoon—that there is some diminution in the numbers of Customs staff at the Townsville port. I want to explore, as Mr Ewen Jones has suggested to me, why those Customs people could not be moved from the Townsville port to the Townsville airport to deal with this new proposed direct international flight from Townsville to Denpasar. Those are the things that have to be looked at and have to be considered as Australia pursues its trade and investment options.

I know there are other people who want to speak on this bill so I will not continue. Again, I thank Senator Madigan for raising the issue. I understand the sentiments behind the bill. There are some elements of the bill, some principles of the bill, that I do support, but I think because of the concerns that I understand might follow from the implementation of this bill, I would, at this stage, be against the adoption of this particular measure.

Senator KETTER (Queensland) (11:44): I rise to make a contribution in respect of the Fair-Trade (Australian Standards) Bill 2013. I regret to say that, despite the well-intentioned motives of Senator Madigan with this bill, I cannot support it. There probably would not be a parliamentarian in this place who would not want to see proper standards being imposed in respect of manufactured goods in Australia. When we look at the explanatory memorandum of this bill, we can see some quite laudable objectives. The memorandum says:

The Bill will require Australia's trading partners to ensure that companies that export goods to Australia take responsibility for ensuring that their manufactured goods meet Australian Standards prior to being sold on the Australian market. The requirement will require the Minister to ensure that appropriate requirements are included in any trade agreement that Australia enters into with another country.
That all sounds very good and there probably would not be too many people that would object to the intentions behind the bill. Unfortunately, there are a number of shortcomings with it.

One of the concerns that I have, as a senator for Queensland, is that I live in a state which is currently being mismanaged by the Newman government. The other factor that I think is relevant here is that Queensland is a state which depends upon trade. It is a very important part of the Queensland economy. Unfortunately, it would appear that Senator Madigan's bill has the potential for damaging Australia's trading arrangements with other countries. If that is in fact the case, then we certainly have some major concerns about it. If we look at the Queensland situation at the moment, we see that our state cannot make any further changes which would make it more difficult for our struggling Queensland government to meet its obligations to ensure that we have a thriving economy. Right now, we have got very big employment worries across regional Queensland. It has been revealed that we have seen unemployment at seven per cent, seasonally adjusted, in Queensland, with youth unemployment rates particularly high. This is a concern that I have: if we have a bill which, despite its good intentions, may lead to retaliation from our trading partners, then this could particularly adversely affect the good people of Queensland.

Apart from the intention behind the bill being quite laudable, we have some concerns about the way in which the bill has been drafted. We are concerned about the fact that it may not have the effect that Senator Madigan intends for it to have. The bill, unfortunately, has not been drafted or explained in a way that would allow the Senate to have confidence that, if it were enacted into law, it would achieve those laudable objectives.

As I have said, the bill would probably lead to some retaliation. I heard the contribution from Senator Macdonald, and it is probably one of the rare occasions that Senator Macdonald and I would agree on something. Unfortunately, if you leave things fairly loosely worded in the bill then it is likely that there are going to be some unintended consequences.

The bill, unfortunately, imposes higher regulatory burdens and additional costs on Australian exporters and foreign firms, for what would appear to be little benefit.

Trade liberalisation is essential for Australia, and particularly Queensland, to secure markets for our exports, so long as we do not sell out our national interest in meeting those liberalisation objectives. The opening-up of the Queensland economy and the Australian economy, including the dismantling of barriers to trade, has been one of the very important reforms that have occurred in recent times. I am very proud of the fact that Labor was at the forefront of that in the eighties, expanding the Australian economy and making the Australian economy much more outward looking. This, over time, has had the effect of improving the living standards of millions of Australian working people. And of course it has stimulated growth of innovative and entrepreneurial Australian businesses.

Whilst Senator Madigan might be seeking to protect Australian consumers, what he seems to be, in effect, doing is protecting Australian industry. I understand the intention behind that, and perhaps in other circumstances I might be more supportive of this type of approach, but the current bill does not advance the cause in a way that is helpful or constructive. We recognise that Australia is no longer a closed economy, and this is not something which just happened in the last five years or so; it has happened over the last couple of decades.
I would also like to point out that we understand that reducing barriers to trade can boost our economic growth but, unfortunately, this bill is not going to achieve this objective.

Debate adjourned.

Racial Discrimination Amendment Bill 2014
Explanatory Memorandum
Senator DAY (South Australia) (11:53): by leave—I table a replacement to the explanatory memorandum relating to the Racial Discrimination Amendment Bill 2014.

DOCUMENTS
Fluffy Owners Residents Action Group
Senator SESELJA (Australian Capital Territory) (11:53): On behalf of Senator Lundy and myself, I move:
That the Senate take note of the document.

NOTICES
Presentation
Senators Smith and Singh to move:
That the Senate—
(a) notes that:
   (i) 1 December 2014 is World AIDS Day,
   (ii) the aim of World AIDS Day is to:
       (a) encourage all Australians to be aware of HIV,
       (b) take action to reduce the transmission of HIV by promoting safe sex practices, and
       (c) ensure that people living with HIV can participate fully in the life of the community, free from stigma and discrimination,
       (iii) in July 2014, Australia hosted the AIDS 2014 conference in Melbourne which highlighted that it was possible to end HIV globally by focusing on evidence-based programs, such as increasing access to HIV testing and treatment, improving treatment options and implementing prevention tools like harm reduction, and
       (iv) while much has been achieved, the challenge to combat HIV/AIDS remains with new HIV infection rates in Australia being at their highest in 20 years; and
   (b) recognises:
       (i) Australia’s resolve to work with governments, the business community and civil society across the region to reach the goals that the international community has set—zero new infections, zero AIDS-related deaths and zero discrimination,
       (ii) the work of current and previous Australian governments in the development of national strategies to address HIV infection, and
       (iii) the release on 7 July 2014 of the 7th National HIV Strategy and its commitment to working towards achieving the virtual elimination of HIV transmission in Australia by 2020, reducing the morbidity and mortality caused by HIV, and minimising the personal and social impact of HIV.

Senator Wright to move:
That the Senate—
(a) notes that:
(i) the Youth Connections program has assisted hundreds of disengaged young people to reconnect to education, training or employment,
(ii) funding to the program has been cut by the Federal Government, and will officially end on 31 December 2014,
(iii) the Government has not allocated any funds to any similar or replacement program,
(iv) this will be the first time in 20 years there is no federally-funded program to assist young people to re-engage with pathways to future work and education, and
(v) young people across Australia, especially those who are disadvantaged, will miss out on vital support provided by the Youth Connections program; and
(b) calls on the Government to reinstate the funding for this effective and necessary program.

Senator Siewert to move:
That there be laid on the table by the Minister representing the Minister for Social Services, no later than 5 pm on Wednesday, 3 December 2014, the report into income management in the Northern Territory, Evaluating new income management in the Northern Territory, final report.

Senator Whish-Wilson to move:
That the Senate—
(a) notes:
(i) the report of the expert panel on a declared commercial fishing activity, Final (Small Pelagic Fishery) Declaration 2012, has been released,
(ii) the report found a super trawler would negatively impact on protected species such as seals, dolphins and sea birds, and
(iii) the statement by the Prime Minister (Mr Abbott) on 4 March 2014 that ‘the super trawler is banned from Australian waters…it was banned with the support of members on this side of the House. It was banned; it will stay banned’; and
(b) calls on the Government to introduce legislation banning super trawlers from Australian waters.

Senator O’Sullivan to move:
That the Senate recognises that a profitable and strong mining sector is essential to government being able to further fund and develop Australia’s agricultural interests, especially in relation to infrastructure.

Senator Ludwig to move:
That there be laid on the table by the Minister representing the Treasurer (Senator Cormann), by 3.30 pm on Wednesday, 3 December 2014, any documents held in relation to the contents of a letter dated 6 February 2014 from the Hon. Warren Truss MP to the Hon. Scott Emerson MP (QLD ref:MC73750/Federal ref:05543-2013) which details the Australian Government’s commitment to the Ipswich Motorway, Durra to Rocklea, project of $279 million.

Senator Wright to move:

Senator Gallacher to move:
That the following matter be referred to the Foreign Affairs, Defence and Trade References Committee for inquiry and report by 18 June 2015:
The Commonwealth’s treaty-making process, particularly in light of the growing number of bilateral and multilateral trade agreements Australian governments have entered into or are currently negotiating, including:

(a) the role of the Parliament and the Executive in negotiating, approving and reviewing treaties;
(b) the role of parliamentary committees in reviewing and reporting on proposed treaty action and implementation;
(c) the role of other consultative bodies including the Commonwealth–State–Territory Standing Committee on Treaties and the Treaties Council;
(d) development of the national interest analysis and related materials currently presented to Parliament;
(e) the scope for independent assessment and analysis of treaties before ratification;
(f) the scope for government, stakeholder and independent review of treaties after implementation;
(g) the current processes for public and stakeholder consultation and opportunities for greater openness, transparency and accountability in negotiating treaties; and
(h) related matters.

**Senator Di Natale** to move:

That the following matter be referred to the Community Affairs References Committee for inquiry and report by 28 April 2015:

The details of Australia’s bid to host the 2022 FIFA World Cup, and in particular:

(a) the use of public funds;
(b) the tactics adopted;
(c) the individuals involved;
(d) the allegations of corruption contained in Mr Michael Garcia’s report to the Fédération Internationale de Football Association (FIFA); and
(e) other matters pertaining to potentially inappropriate behaviour in relation to the bid.

COMMITTEES

**Selection of Bills Committee**

**Report**

**Senator BUSHBY** (Tasmania—Chief Government Whip in the Senate) (11:54): I present the 15th report of 2014 of the Selection of Bills Committee. and I seek to have the report incorporated in Hansard

Ordered that the report be adopted.

**Senator BUSHBY**: I seek leave to have the report incorporated in *Hansard*.

Leave granted.

*The report read as follows—*

**SELECTION OF BILLS COMMITTEE**

**REPORT NO. 15 OF 2014**

1. The committee met in private session on Wednesday, 26 November 2014 at 7.35 pm.
2. The committee resolved to recommend—That—

   (a) the provisions of the Corporations Legislation Amendment (Deregulatory and Other Measures) Bill 2014 be referred immediately to the Economics Legislation Committee for inquiry and report by 11 February 2015 (see appendix 1 for a statement of reasons for referral);
(b) the provisions of the Export Finance and Insurance Corporation Amendment (Direct Lending and Other Measures) Bill 2014 be referred immediately to the Foreign Affairs, Defence and Trade Legislation Committee for inquiry and report by 11 February 2015 (see appendix 2 for a statement of reasons for referral); and

(c) contingent upon introduction in the House of Representatives, the provisions of the Biosecurity Bill 2014, the Biosecurity (Consequential Amendments and Transitional Provisions) Bill 2014, the Quarantine Charges (Imposition—Customs) Amendment Bill 2014, the Quarantine Charges (Imposition—Excise) Amendment Bill 2014 and the Quarantine Charges (Imposition—General) Amendment Bill 2014 be referred immediately to the Rural and Regional Affairs and Transport Legislation Committee for inquiry and report by 17 March 2015 (see appendix 3 for a statement of reasons for referral).

3. The committee resolved to recommend—That the following bills not be referred to committees:
   • Australian War Memorial Amendment Bill 2014
   • Freedom to Marry Bill 2014
   • Save Our Sharks Bill 2014
   • Telecommunications (Interception and Access) Amendment (Data Retention) Bill 2014
   • Treasury Legislation Amendment (Repeal Day) Bill 2014.

The committee recommends accordingly.

4. The committee deferred consideration of the following bills to its next meeting:
   • ACT Government Loan Bill 2014
   • Australian Broadcasting Corporation Amendment (Local Content) Bill 2014
   • Civil Law and Justice Legislation Amendment Bill 2014
   • Corporations Amendment (Publish What You Pay) Bill 2014
   • Fair Work Amendment (Bargaining Processes) Bill 2014
   • Federal Courts Legislation Amendment Bill 2014
   • Mining Subsidies Legislation Amendment (Raising Revenue) Bill 2014
   • Motor Vehicle Standards (Cheaper Transport) Bill 2014
   • Parliamentary Service Amendment Bill 2014
   • Social Security and Other Legislation Amendment (Caring for Single Parents) Bill 2014.

(David Bushby)
Chair
27 November 2014

APPENDIX 1

SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee:
Name of bill:
   Corporations Legislation Amendment (Deregulatory and Other Measures) Bill 2014

Reasons for referral/principal issues for consideration:
   To understand the impact on shareholder participation
Committee to which bill is to be referred:
   Economics Committee.

Possible hearing date(s):
   28/29 January

Possible reporting date:
   11 February 2014

(sign)
Senator Rachel Siewert
Whip/Selection of Bills Committee Member

APPENDIX 2
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee:
Name of bill:
   Export Finance and Insurance Corporation Amendment (Direct Lending and Other Measures) Bill 2014

Reasons for referral/principal issues for consideration:
   The impact of substantially expanding the scope of the Export Finance and Insurance Corporation (EFIC) and its consequences in relation to aid spending

Possible submissions or evidence from:
   • Human Rights Law Centre
   • Jubilee Australia
   • Aid Watch

Committee to which bill is to be referred:
   Foreign Affairs, Defence and Trade Legislation Committee.

Possible hearing date(s):
   3 February 2015

Possible reporting date:
   11 February 2015

(sign)
Senator Rachel Siewert
Whip/Selection of Bills Committee Member

APPENDIX 3
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee:
Name of bill:
   Biosecurity Bill 2014
Reasons for referral/principal issues for consideration:
This proposes a major change to our biosecurity framework and requires scrutiny

Possible submissions or evidence from:
Farming sector, invasive species experts, environmental sector

Committee to which bill is to be referred:
Rural and Regional Affairs and Transport Legislation Committee.

Possible hearing date(s):

Possible reporting date:
17 March 2015.

(signed)
Senator Rachel Siewert
Whip/Selection of Bills Committee Member

BUSINESS

Consideration of Legislation

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (11:55): I move:
(a) government business orders of the day be considered from 12.45 pm today:
   No. 6 Customs Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014
   Customs Tariff Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014
   Australian War Memorial Amendment Bill 2014.
(b) government business be called on after consideration of the bills listed in paragraph (a) and considered till not later than 2 pm today.
Question agreed to.

Rearrangement

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (11:55): I move:
That the order of general business for consideration today be as follows:
(a) general business notice of motion no. 525 standing in the names of Senators Leyonhjelm and Day relating to government spending; and
(b) orders of the day relating to documents.
Question agreed to.

Consideration of Legislation

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (11:55): I move:
(a) subject to introduction, the general business order of the day relating to the Family Tax Benefit (Tighter Income Test) Bill 2014 be considered on Thursday, 4 December 2014 under the temporary
order relating to the consideration of private senators’ bills for not more than 1 hour and 10 minutes; and
(b) government business be called on after consideration of the bill listed in paragraph (a) and considered for not more than 1 hour and 10 minutes.

Question agreed to.

NOTICES

Postponement

The following items of business were postponed:

Business of the Senate notice of motion 1 standing in the name of Senators Xenophon and Ruston for today, proposing a reference to the Environment and Communications Legislation Committee, postponed till 1 December 2014.

General business notices of motion nos 508, 519, 531 and 543 standing in the name of Senator O’Sullivan for today, relating to the Queensland coal industry, to the China Australia Free Trade Agreement, to trade with India and to the black coal industry, postponed till 1 December 2014.

COMMITTEES

Community Affairs Legislation Committee

Rural and Regional Affairs and Transport References Committee

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

Community Affairs Legislation Committee—Aboriginal and Torres Strait Islander Amendment (A Stronger Land Account) Bill 2014—extended from 3 December 2014 to 4 March 2015.

Rural and Regional Affairs and Transport References Committee—current requirements for labelling of seafood and seafood products—extended from 4 December to 18 December 2014.

The DEPUTY PRESIDENT (11:57): Thank you, Clerk. I remind senators that the question may be put on any of those proposals at the request of any senator. There being none, we will move on.

BUSINESS

Leave of Absence

Senator McEWEN (South Australia—Opposition Whip in the Senate) (11:57): by leave—I move:

That Senator Cameron be granted leave of absence for today, 27 November 2014, for personal reasons.

Question agreed to.

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (11:58): by leave—I move:

That Senator Xenophon be granted leave of absence for today, 27 November 2014, for personal reasons.

Question agreed to.
REGULATIONS AND DETERMINATIONS

Corporations Amendment (Streamlining Future of Financial Advice) Regulations 2014

Disallowance

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (11:58): On behalf of Senator Cormann, I move:

That, for the purposes of paragraph 48(1)(a) of the Legislative Instruments Act 2003, the Senate:

(a) supports the making of regulations re-instating provisions the same in substance as the following provisions of Corporations Amendment (Streamlining Future of Financial Advice) Regulation 2014, as contained in Select Legislative Instrument 2014 No. 102: Schedule 1 Items 5 (Accountants’ certificate renewal period); 11 (Stamping fee provision); 12 to 17 (ASX24 related provisions); 27 (non monetary education or training benefit not conflicted remuneration); and 28, 29 and 31 to 35 (Grandfathering arrangements); and

(b) rescinds its disallowance resolution of 19 November 2014 relating to the above regulation, to the extent necessary to permit the re-making of the aforementioned provisions in the regulations.

Question agreed to.

MOTIONS

Newcastle Rail Line

Senator RHIANNON (New South Wales) (11:59): I move:

That the Senate—

(a) notes that:

(i) the New South Wales Government has decided to stop train services in Newcastle on Boxing Day 2014, with heavy rail services to Wickham, Civic and Newcastle stations scrapped,

(ii) the truncation of the rail line into Newcastle has been strongly opposed by the local community, and

(iii) the truncation will increase travel times for passengers travelling to and from Newcastle by up to 25 minutes and residents of the broader Hunter region will suffer as a direct rail connection into the heart of their regional centre is cut; and

(b) calls on:

(i) the New South Wales Government to reverse its decision to truncate the heavy rail line into Newcastle, and

(ii) the Federal Government to commit to investing in public transport infrastructure in regional Australia.

Question agreed to.

BILLS

Family Tax Benefit (Tighter Income Test) Bill 2014

First Reading

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

That the following bill be introduced: A Bill for an Act to amend the A New Tax System (Family Assistance) Act 1999, and for related purposes.

Question agreed to.
Senator LEYONHJELM: 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 LEYONHJELM (New South Wales) (12:01): I move:
That this bill be now read a second time.

I seek leave to table the explanatory memorandum relating to the bill and have the second reading speech incorporated in Hansard.

Leave granted.
The speech read as follows—
The Family Tax Benefit (Tighter Income Test) Bill 2014 will, if enacted, reduce payments of Family Tax Benefit Part A payments for days on and after 1 July 2015.
This will reduce government spending by more than $800 million by June 2018, with spending cuts to continue in subsequent years. Such a reduction of government spending improves the Budget position, improves the sustainability of social security, and reduces the long term taxation burden.
The reduction in government spending will include a reduction in departmental costs, reflecting lower processing costs for the Department of Human Services as fewer families would be in receipt of Family Tax Benefit Part A.
The Bill reduces Family Tax Benefit Part A payments for around 15 per cent of recipient families, while preserving payments for families with the least income.
The Bill only changes one number in the law—it sets the 'higher income free area' to zero.
Families with no income and families in receipt of certain income support payments are unaffected by this change. For other families, their Family Tax Benefit Part A will continue to be reduced by 20 per cent of any family income over the (current) $50,151 threshold. However, this reduction will not stop when the base rate is reached. Instead, the reduction will continue until the payment reaches zero.
No family with an income below $50,151 will be affected.
For families with incomes between $50,151 and $66,084, adverse impacts can only arise for those in receipt of substantial child maintenance payments. This is the case because, under current law, the Family Tax Benefit Part A payments for such families can be reduced to the base rate, irrespective of income levels. As such, once incomes exceed $50,151 and the income test commences, it will be possible, under this Bill, for the Family Tax Benefit Part A payment to fall below the base rate. The Parliamentary Budget Office estimate that 5,530 families may fall into this category.
For other families, adverse impacts can only arise for families with incomes in excess of $66,084. The majority of families who will incur an adverse impact will be families with incomes over $90,000.
Tax-welfare-churn is where people pay tax then get some of it back in welfare payments, only after the bureaucracy takes its cut, and only after taxpayers expend considerable effort to apply for the welfare payments on offer. Only through spending cuts such as those proposed in this Bill will tax-welfare-churn fall.
I commend the Bill to the Senate.

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

Leave granted; debate adjourned.
Australian Broadcasting Corporation Amendment (Local Content) Bill 2014

First Reading

Senator MADIGAN (Victoria) (12:01): On behalf of Senator Xenophon, I move:

That the following bill be introduced:


Question agreed to.

Senator MADIGAN: 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 MADIGAN (Victoria) (12:02): I move:

That this bill be now read a second time.

I seek leave to table the explanatory memorandum relating to the bill and have the second reading speech incorporated in Hansard.

Leave granted.

The speech read as follows—

This Bill is a response to the long-held concerns of members of the public, many of my colleagues in this place, and ABC staff members themselves.

The Australian Broadcasting Corporation is known as our ABC for a reason. As Australia's public broadcaster, it has a specific role and responsibilities, as set out in its Charter. The aim of the Charter is to ensure the ABC represents a wide range of voice from a wide range of areas, and remains non-partisan and unbiased.

Over the last few years, we have seen an increasing 'centralisation' of the ABC, as many of its state or territory-based production, journalism and broadcasting services have been rolled into the main offices in Sydney and Melbourne. The result has been a reduction in diversity of stories and voices, and an increased focus on east-coast metropolitan interests.

Most recently, the Government announced cuts to the ABC's budget of $254 million over five years. In response, the ABC has announced hundreds of job cuts and the cancellation of the state-based 7.30 program editions. The television production unit in South Australia—the last remaining unit outside Sydney or Melbourne—will also close.

Further, the ABC annual report for 2013/14 shows that New South Wales was the only state to see significant growth in staff over the past decade, while the rest of the country shrank or remained flat as a fraction of total staff numbers. New South Wales now accounts for more than half (51 per cent) of the ABC's 4,679 full time equivalent jobs. South Australia's stake saw the sharpest drop of all, from 8 per cent to 6.9 per cent.

The aim of this Bill is to amend the ABC's Charter in response to this centralisation. The Bill inserts specific requirements into the Charter regarding the production and dissemination of local content to ensure that journalism, production and broadcasting occur outside Sydney and Melbourne.

Specifically, the new provisions will require the ABC to have a 'distinct and discernible presence' across each State and Territory, across all of its platforms. This includes but is not limited to news...
programs, including at least one weekly half-hour current affairs program, investigative journalism and regional journalism. This content must be produced in, of, for and by that State or Territory.

Further, the ABC must also fund internal television production units in at least four States and/or Territories outside New South Wales and Victoria and including the existing facilities in South Australia, which are resourced to the extent that they are able to produce content beyond news and current affairs. The ABC must set aside at least 0.5 per cent of its annual budget for the operation of each unit.

These measures are a direct response to the winding back of local content within the ABC. It is vital that Australia's public broadcaster fully represent all members of our society, not just those who live in Sydney and Melbourne. This Bill will protect and enhance the ABC's provision of local content, and will ensure it truly remains 'our ABC'.

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

Leave granted; debate adjourned.

MOTIONS

Great Barrier Reef

Senator IAN MACDONALD (Queensland) (12:03): I, and also on behalf of Senators Williams and Bernardi, move:

That the Senate—

(a) notes that:

(i) a Sea Shepherd environmental vessel recklessly discharged up to 500 litres of diesel into the pristine waters of Trinity Inlet at Cairns in October 2012,

(ii) the Sea Shepherd environmental organisation was:

(A) fined $15 000 in Cairns Court for the pollution offence in July 2014, and

(B) irresponsible for not taking sufficient care to prevent the discharge into the pristine waters and failed in its charter to protect and preserve marine life, and

(iii) the Australian arm of the organisation is chaired by former Greens leader, Dr Bob Brown; and

(b) calls on the Sea Shepherd organisation and its Chairman, Dr Brown, to apologise to the people of Queensland for the organisation's wilful and reckless damage to the Great Barrier Reef.

Senator MILNE (Tasmania—Leader of the Australian Greens) (12:03): I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator MILNE: Senators Macdonald, Bernardi and Williams have made some basic factual errors that a simple Internet search would have identified. Dr Bob Brown is no longer Chair of Sea Shepherd and was not chair when the incident occurred. The Cairns court magistrate said that the 100-litre spill was minor and no environmental damage occurred because an absorbent boom was deployed immediately. Sea Shepherd issued a statement indicating that it was neither wilful nor reckless and that Sea Shepherd itself responded by notifying authorities of the spill. This is a poor attempt by the senators to attack the outstanding work of Sea Shepherd, which has tackled illegal whaling in our waters and this year will focus on illegal tooth fish hauls and continue its campaign against Western Australia's indiscriminate killing of sharks.
Senator IAN MACDONALD (Queensland) (12:04): I seek leave to make a one-minute statement on the motion.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator IAN MACDONALD: What Senator Milne has just said is completely incorrect, as are most of the things the Greens say in this parliament. The discharge of the oil was noted by a passer-by and reported to the authorities.

Senator SIEWERT: Doesn’t mean the Sea Shepherd didn’t do it—it didn’t report it.

Senator IAN MACDONALD: It was reported by Sea Shepherd after it had been reported by the authorities. So the importance of this motion is that there was some damage to the Great Barrier Reef that the Greens political party have never mentioned. Yet when anything else is remotely related to the Great Barrier Reef they are in this chamber shouting from the rooftop. Where were you when this happened? Where were you when this reckless and wilful discharge of oil into the Great Barrier Reef occurred? Nowhere, because it is an organisation associated with your former leader and involves the Sea Shepherd group. (Time expired)

The DEPUTY PRESIDENT: The question is that general business notice of motion No. 545 be agreed to.

The Senate divided. [12:14]

(The Deputy President—Senator Marshall)

Ayes .................30
Noes ................33
Majority ............3

AYES

Back, CJ
Birmingham, SJ
Canavan, M.J.
Colbeck, R
Day, R.J.
Fawcett, DJ
Fifield, MP
Johnston, D
Macdonald, ID
McKenzie, B
O’Sullivan, B
Reynolds, L
Ruston, A
Seselja, Z
Smith, D

Bernardi, C
Bushby, DC (teller)
Cash, MC
Cormann, M
Edwards, S
Fierravanti-Wells, C
Heffernan, W
Leyonhjelm, DE
McGrath, J
Nash, F
Payne, MA
Ronaldson, M
Ryan, SM
Sinodinos, A
Williams, JR

NOES

Bilyk, CL
Bullock, J.W.
Dastyari, S
Gallacher, AM
Ketter, CR
Lazarus, GP
Ludlam, S

Brown, CL
Carr, KJ
Di Natale, R
Hanson-Young, SC
Lambie, J
Lines, S
Ludwig, JW

CHAMBER
Senator WHISH-WILSON (Tasmania) (12:13): I move:

That the Senate—

(a) notes the Japanese Government's announcement that it plans to resume hunting whales in the Southern Ocean in 2015; and

(b) calls on:

(i) the Prime Minister (Mr Abbott) to directly raise with the Japanese Prime Minister (Mr Shinzō Abe) Australia's objection to Japan's plan to resume hunting in the Southern Ocean, and

(ii) the Australian Government to utilise international fora to stop the Japanese resuming hunting in the Southern Ocean.

I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator WHISH-WILSON: This motion is fairly straightforward. It calls on support from all members of parliament in the Senate to ask our Prime Minister and the government to put diplomatic pressure on the Japanese, who have just announced JARPA III—another attempt to go down and harpoon whales in the Southern Ocean.

Illegal whaling in the Southern Ocean is opposed by over 90 per cent of Australians. I would point out for Senator Macdonald's benefit that those 90-plus per cent of Australians also support Sea Shepherd, who go down every Christmas and put themselves in harm's way to prevent the death of thousands of whales. You have just maliciously, wilfully and dishonestly misled this Senate chamber about them and have attacked them. You should be ashamed of yourself.

Let every Australian know that the Liberal Party have attacked Sea Shepherd today and the good work they do on behalf of the—

The DEPUTY PRESIDENT: Senator Whish-Wilson, resume your seat.
Senator Bernardi: Mr President, I rise on a point of order. Leave was granted to make a brief statement in regard to this motion. Then we had a hysterical rant from Senator Whish-Wilson which was completely unrelated. I think you should call him to order. Otherwise, it will become an inappropriate forum for us to grant leave for these sorts of things.

The DEPUTY PRESIDENT: That is not a point of order. The chamber did in fact grant leave and Senator Whish-Wilson had leave. You have a couple of seconds left.

Senator WHISH-WILSON: Two seconds left and we have obviously hit a raw nerve if Senator Bernardi has to act like an idiot.


The DEPUTY PRESIDENT: Leave is granted.

Senator FIFIELD: I think Australia's position on this issue is well known. We remain opposed to all forms of commercial whaling and believe that all information necessary for the contemporary conservation and management of whales can be obtained using nonlethal methods. While the government appropriately advances this issue in a mature way through diplomatic channels, the Greens continue to play cheap politics to their usual fan base. Australia is an active participant in the IWC, which is the proper forum to address issues related to whaling. Australia and Japan have both stated they respect the International Court of Justice decision on whaling and Australia is working to implement the outcomes of this decision through the IWC.

Prime Minister Abbott has already stated publicly that friends can disagree on subjects without compromising their friendship. The friendship between Australia and Japan is bigger than our disagreement on whaling. Australia remains a strong advocate of the global moratorium on whaling and, along with other like-minded nations, the Australian government will analyse closely Japan's latest proposal through the scientific committee of the IWC.

Question agreed to.

Radioactive Material

Senator WATERS (Queensland) (12:17): I move:

That the Senate—

(a) notes that:

(i) it has been reported that United States based company, Halliburton, has been using radioactive isotope caesium 137 for coal seam gas drilling on behalf of AGL at Gloucester and on behalf of Santos in the Pilliga forest in New South Wales, and

(ii) community members and local landholders have been unaware of the use of radioactive material in their area; and

(b) calls on the Federal Government to ensure that the proposed use of radioactive material in resource development is specifically included in environmental impact statements and assessment documentation.


The DEPUTY PRESIDENT: Leave is granted for one minute.
Senator FIFIELD: The Australian government takes these issues seriously but it is irresponsible of the Greens to scaremonger over the use of radioactive substances. The state government is more than capable of regulating these substances and does so by issuing radiation management licences. The use of this substance is not a nuclear action and it is not likely to have a significant impact on the environment and is, therefore, not regulated by the Australian government. We know that the Greens are opposed to basically any type of mining. This is just another attempt by them to cause unnecessary alarm. Before the Greens start to try to frighten the local community, it is important to note that not only is caesium 137 used in life-saving medical treatments for cancer but also it is used completely safely in the food processing industry. It leaves no residual radioactive

Question agreed to.

Animal Welfare

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (12:19): I, and also on behalf of Senators Rhiannon, Singh, Lazarus, Wang, Xenophon, O'Sullivan and Muir, move:

That the Senate—
(a) notes:
   (i) the majority of Australians believe the use of animal testing to evaluate safety of cosmetic products and ingredients is unnecessary, and
   (ii) the regulatory framework in Australia for chemicals, including cosmetics, is complex; and
(b) urges the Government to aspire to eliminate unnecessary animal test methods to evaluate safety of cosmetic products and ingredients.


The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator RHIANNON: While the Senate is not blazing a new trail with this motion, 31 countries including the world's largest cosmetics market, the EU, have banned animal tested cosmetics. This is a small, positive step towards achieving the ban here. A public opinion poll conducted in May last year by Nexus Research on behalf of humane research found that 81 per cent of Australians want cruel cosmetics banned. A July 2014 opinion poll conducted by Roy Morgan Research showed that 'not tested on animals' was one of the top three features looked for by Australian female consumers when buying cosmetics. Now we need reform in Australia, the Greens End Cruel Cosmetics Bill 2014 is before the Senate. This is a way we can act on our aspiration to end cruel cosmetics and animal tested ingredients. I congratulate Be Cruelty-Free Australia and Senator Ruston for their work on this issue.

Question agreed to.

BILLS

Regulator of Medicinal Cannabis Bill 2014

First Reading

Senator DI NATALE (Victoria) (12:21): I, and on behalf of Senators Macdonald, Leyonhjelm and Urquhart, move:

That the following bill be introduced: A bill for an act to establish the Regulator of Medicinal Cannabis, and for related purposes.
Question agreed to.

Senator DI NATALE: 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 DI NATALE (Victoria) (12:22): I present the explanatory memoranda and I move:
That the bill be now read a second time.
I seek leave to have the second reading speech incorporated in Hansard.
Leave granted.
The speech read as follows—

REGULATOR OF MEDICINAL CANNABIS BILL 2014

Cannabis is an ancient plant that has been used for thousands of years to alleviate pain and treat certain medical conditions. It has been used to relieve some distressing symptoms, especially when front-line treatments have failed to work.

The anecdotal evidence from those who have used medicinal cannabis has been corroborated by international studies and trials, and there is a growing body of evidence appearing in peer reviewed and reputable medical and scientific journals supporting the use of medicinal cannabis under strict regulations.

That is why I am introducing a Bill to establish a Regulator of Medicinal Cannabis.

The Regulator will be responsible for licensing the production, manufacture, supply, use, research and import and export of medicinal cannabis.

The Regulator's role will be to approve medicinal cannabis products for inclusion in a register. This system of regulating medicinal cannabis will operate separately from the Therapeutic Goods Administration.

The establishment of the Regulator would not prevent pharmaceutical companies applying to the TGA instead of using the scheme established by this Bill. They will effectively have a choice about which system to use. So too will the States and Territories, who under this Bill can elect to be part of a regulated system for the cultivation, supply, research and use of medicinal cannabis.

This Bill has been drafted so that it is consistent with the Single Convention on Narcotic Drugs and ensures that cannabis used in ways not authorised or licenced by the Regulator will be subject to state and territory criminal sanctions.

The Bill is divided into five parts, each setting out the functions and operations of the Regulator of Medicinal Cannabis. The Regulator will provide a national system for licencing the cultivation and manufacture of cannabis for medicinal purposes; it will authorise people to obtain and use medicinal cannabis and it will facilitate research into cannabis for medicinal purposes.

The Regulator will also maintain a number of confidential registers encompassing people granted licences to be authorised cultivators, producers, users, researchers and importers and exporters. Additionally, the Regulator will create and maintain a register of regulated medicinal cannabis products. To be included on the register, the Regulator must be satisfied that the cannabis is suitable for medicinal use, that it meets the appropriate standards, and that all designated requirements are met. The register is modelled on the Australian Register of Therapeutic Goods.
The registration process and the register will have a number of rules prescribed for those people applying to be included on the register and the Regulator will have the power to remove or vary registration.

In this way, the Bill will ensure that medicinal cannabis is manufactured, supplied and used in a safe, consistent and controlled way. The licensing scheme ensures that all standards and regulations are complied with and the product will have to meet certain standards. Those authorised to use medicinal cannabis will likewise be required to meet strict criteria.

It is important to note that State and Territory criminal sanctions relating to illegal substances and drug use will still apply to anyone who misuses medicinal cannabis or fails to comply with the intent of this Bill. For example, if an authorised cultivator or manufacturer was to sell medicinal cannabis in any way not prescribed by the Regulator, or an authorised user was to sell or supply medicinal cannabis, they would be subject to the criminal sanctions that apply in the relevant State or Territory the offence was committed in.

The principle purpose of this Bill is to create a scheme whereby authorised patients, their carer or their medical practitioner can access specific medicinal cannabis products for medical use.

The Bill is intended to operate in conjunction with medical practitioners, who can apply to the Regulator on behalf of a patient or carer.

Research and development of medicinal cannabis is a growing field of science. It is important that research into types and strains of cannabinoids and medicinal cannabis be encouraged and furthered by the Regulator. The experimental cannabis licensing scheme, which will be operated by the Regulator, will allow authorised persons to develop, evaluate, test and improve cannabis products for medicinal purposes. The Regulator will also be responsible for issuing licences and prescribing a scheme for research and experiments with medicinal cannabis.

The on-going research into medicinal cannabis is an exciting field and Australia can play a lead role in improving methods of cultivation, evaluating efficacy and safety, improving delivery methods – such as how medicinal cannabis can be consumed by an authorised patient – and performing other clinical trials. This will further our understanding of cannabis as a medicinal product.

The Regulator of Medicinal Cannabis will be a listed entity with codified functions and powers, such as a Board, Chief Executive Officer and staff. The Minister will appoint the Chair and qualified members. The authorisation to cultivate or use medicinal cannabis necessitates expertise in a number of areas, such as plant cultivation, pharmacy, medicine, legal implications and criminality, so membership of the Regulator will include people with expertise in one of the following fields: Medicine, Pharmacology, Palliative Care, Botany, Horticulture, Law and Law enforcement or patient advocacy.

The membership must include at least one medical practitioner, one member of the Australia Federal Police and one person representing patients and users. This provides a balance of interests.

Finally, this Bill recognises that cannabis is a drug that is not legal in Australian states and territories. As with the Australian poppy industry, cannabis can be used for medicinal purposes as well as being a drug that is not legally available and carries criminal sanctions for cultivation, possession and trafficking. It is necessary that sanctions and penalties apply to any authorised person who abuses or misuses their obligations to the Regulator to provide, supply or use cannabis for medicinal purposes.

Both the public and law enforcement agencies must be confident that there are strict provisions in place so that only those authorised have access to medicinal cannabis and that manufacture and use is conducted under strict guidelines.

The monitoring and investigative powers in the Bill apply only to people authorised by the Regulator to cultivate, supply, use or experiment with medicinal cannabis. A person or persons applying to the Regulator for a licence will be advised of the monitoring and investigative powers.
This Bill establishes a strict and controlled Regulator to licence every aspect of medicinal cannabis, from cultivation through to end users. It will allow authorised people to use a medicinal cannabis product where front-line treatments have failed or where it can alleviate pain or other symptoms.

Debate adjourned.

MOTIONS

Agricultural Exports

Senator CANAVAN (Queensland) (12:23): I move:

That the Senate—

(a) acknowledges:

(i) the importance of agricultural exports to Australia's overall balance of payments position as well as the viability and economic health of individual farmers, agricultural communities and regional Australia,

(ii) that Australian agricultural producers are internationally competitive and currently receive low levels of Government support in absolute terms, and also relative to agricultural producers in other countries, and

(iii) that the current high barriers to international agricultural trade and the high levels of protection to their domestic agricultural sectors imposed by many countries are distorting international trade and adversely impacting on Australia's agricultural exporters; and

(b) noting the substantial benefits to Australian agricultural producers arising as a result of the Government's successful conclusion of free trade agreements with Japan, Korea and China, calls on the Government to continue to seek greater openness and access for Australian agricultural producers in overseas markets through bilateral and multilateral fora.

Question agreed to.

DOCUMENTS

Homelessness

Order for the Production of Documents

Senator LUDLAM (Western Australia) (12:23): I move:

That the Senate—

(a) notes:

(i) That the Government's 2014 15 Budget included cuts of $589.6 million from housing and homelessness initiatives, including axing the $44 million capital budget in the National Partnership Agreement for Homelessness (NPAH) used for shelters and housing for the homeless,

(ii) continued uncertainty over the future of the Government's responsibility for housing places at least 3 400 highly specialised jobs across 180 initiatives providing services to 80 000 clients every year under the NPAH at risk, and

(iii) even at current levels of funding there are 100 000 people experiencing homelessness on any given night in Australia and another 225 000 Australian families on waiting lists for social housing; and

(b) orders that there be laid on the table, by the Minister representing the Minister for Social Services, no later than noon on Wednesday, 3 December 2014, statements to the Senate clarifying the Government's commitment to:

(i) homelessness beyond June 2015, including progress on review and negotiations of the NPAH, and
(ii) affordable housing, including the future of the National Affordable Housing Agreement.
Question agreed to.

**Trade with China**

**Order for the Production of Documents**

**Senator WHISH-WILSON** (Tasmania) (12:24): I seek leave to amend general business notice of motion No. 540 standing in my name for today relating to an order for the production of documents concerning the China-Australia trade agreement before asking that it be taken as formal.

**The DEPUTY PRESIDENT:** Leave is not granted, Senator Whish-Wilson. You can either move the motion as it is or not move it. That concludes formal business.

**BILLS**

**Parliamentary Service Amendment Bill 2014**

**First Reading**

Bill received from the House of Representatives.

**The PRESIDENT** (12:25): I move:

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

Question agreed to.

Bill read a first time.

**Second Reading**

**The PRESIDENT** (12:25): I move:

That this bill be now read a second time.

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

Leave granted.

*The speech read as follows—*

This bill, the Parliamentary Service Amendment Bill 2014, amends the Parliamentary Service Act 1999 to provide that the Commissioner of the Australian Federal Police, be a member of the Security Management Board. Alternatively, in place of the commissioner, a deputy commissioner or senior executive AFP employee, may be a member of the Security Management Board for Parliament House upon nomination by the presiding officers. The bill also amends the existing functions of the board to include the operation of security measures.

As President of the Senate, my primary concern is for the safety of Parliament House, but more importantly its occupants, and to ensure that people may go about their business in a safe and secure environment. As senators will be aware, the existing security arrangements for Parliament House have been enhanced and strengthened over the past weeks, following the national terrorism public alert level being raised from medium to high. Security arrangements in the parliamentary precincts are under continual and careful assessment, and I am working closely with a range of departments including security and intelligence agencies, in carrying out the necessary security works within the parliamentary precinct.

Together with the Speaker of the House of Representatives, we have already implemented additional measures here at Parliament House, including enhanced perimeter controls, changed access arrangements for the public and private areas of Parliament House, and an armed response capability.
We have also increased the armed presence guarding our parliament, which now includes long armed weapons. Whilst we have taken the necessary steps on security early, building occupants will notice significant building security works being undertaken in the weeks and months ahead.

As part of the physical security enhancements, we have been reviewing the governance arrangements for security matters within Parliament House. This bill seeks to further strengthen those governance arrangements in two important areas.

Firstly, this bill will enable a representative of the Australian Federal Police to be a full member of the Security Management Board, a board which is established under section 65A of the Parliamentary Service Act 1999. This board provides advice to the presiding officers as required, on security policy and the management of security measures, for Parliament House.

Other members of the board include representatives from the Department of the Senate, the Department of the House of Representatives, and the Department of Parliamentary Services. The function of the board is to provide advice to the presiding officers on a range of security measures, and having the Australian Federal Police as a member of the board will boost the board's capability and reach on security matters.

Secondly, this bill will amend the remit of the board, which is set out in subsection 65A(5) of the Act, to allow the board to provide advice to the presiding officers on the management or operation of security measures for Parliament House. This will mean that the board may provide a wide range of advice to the presiding officers on both short-term and long-term security matters.

Accordingly, I commend the bill.

Debate adjourned.

Ordered that the bill be listed on the Notice Paper as a government business order of the day.

**DOCUMENTS**

**Homelessness**

**Order for the Production of Documents**

**Senator LUDLAM** (Western Australia) (12:26): by leave—I had intended to add Senator McLucas's name to my general business notice of motion No. 542. I am just wondering, with leave of the Senate, if I can just correct that.

Leave granted.

**The DEPUTY PRESIDENT:** There being no objection, we will have that noted.

**BILLS**

**Customs Amendment Bill 2014**

**Safety, Rehabilitation and Compensation Legislation Amendment Bill 2014**

First Reading

Bills received from the House of Representatives.

**Senator FIFIELD** (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:27): 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 FIFIELD** (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:27): 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 AMENDMENT BILL 2014

The Customs Amendment Bill 2014 is an omnibus bill that proposes a number of minor changes to the Customs Act 1901 (the Customs Act).

Firstly, the bill will amend the Customs Act to extend Customs powers of examination to the baggage of domestic travellers on international flights and voyages, and to domestic cargo that is carried on an international flight or voyage. Domestic travellers and their personal effects and domestic cargo are often carried on domestic legs of international flights or voyages between Australian ports or airports and places other than proclaimed ports and airports by approved ships and aircraft.

There is a serious vulnerability that dutiable or prohibited goods will be transferred where domestic travellers on international flights can access the sterile areas of airports and mix with international travellers during embarkation and disembarkation processing. The intermingling of domestic cargo and imported goods (or goods for export) also presents risks for diversion of cargo from one stream to the other.

The amendment will ensure that Customs control and powers of examination are provided for the goods of domestic travellers and of domestic cargo on international flights or voyages equal to the powers to examine the goods of international travellers and international cargo. This will close the gap in the treatment of identified border risks and reduce the advantage taken by criminal entities where domestic and international interactions can occur.

This bill will also extend Customs control to those places at which ships and aircraft often arrive in Australia that are not proclaimed ports or airports and where government agencies do not have a strong presence. International ships or aircraft may seek permission to bring a ship or aircraft to a place other than a proclaimed port or airport. For instance, the cruise ship industry regularly seeks permission to visit non-proclaimed areas of the Australian coastline. Industries involved in offshore resource activities do not utilise traditional port facilities and often seek permission to bring vessels direct to an offshore installation. The master of a ship or pilot of an aircraft may also bring the ship or aircraft to a place other than a port or airport due to stress of weather or other reasonable cause.

It is in these instances that vulnerabilities exist when ships or aircraft brought to non-proclaimed places as part of an international journey may also be involved in disembarking travellers or unloading goods in those locations. Extending Customs control and examination powers to these non-proclaimed places will minimise the risks that these activities may pose.

This bill will improve, and make consistent with other parts of the Customs Act, the application processes for permissions to load and unload ships’ and aircraft's stores, permissions to transfer goods between certain vessels and applications for a certificate of clearance. These amendments will also support initiatives to enable online applications for industry to seek these permissions.

The bill will also provide greater flexibility in relation to the reporting of the arrival of ships and aircraft in Australia and reporting stores and prohibited goods on such ships and aircraft. These changes
will allow earlier assessment and the planning of resources required if the stores or prohibited goods reported present risks, including the management of firearms, weapons and narcotics.

The bill will also correct a technical error in relation to the interaction of Customs and Border Protection’s Infringement Notice Scheme and claims process for seized goods under the Customs Act.

Finally, the bill will also improve the administration of the appointment of authorised officers by class under the Customs Act.

SAFETY, REHABILITATION AND COMPENSATION LEGISLATION AMENDMENT BILL 2014

Employers operating in multiple states deal with different workers’ compensation schemes and work health and safety regulations in each jurisdiction around Australia. This increases red tape for employers and is confusing for workers who are subject to different regulation and benefits depending on which state or territory they are employed in.

While in the past, certain private sector corporations have been able to self-insure for workers’ compensation coverage through the Commonwealth’s Comcare scheme, a moratorium on new corporations entering the Comcare scheme was imposed in 2007 by Labor. This was despite evidence from the 2004 Productivity Commission inquiry into National Workers’ Compensation and Occupational Health and Safety Frameworks which found that the cost for multistate employers of complying with multiple state workers’ compensation arrangements was considerable. Those costs could have been used more effectively to create new jobs and improve the safety standards within the enterprise. The Howard government responded to the Productivity Commission inquiry recommendations by allowing eligible private corporations that operated in multiple states to apply for a self-insurance license with the Comcare scheme.

There are currently 30 licenced corporations who are benefiting from the reduced red tape and cost by having one set of workers’ compensation arrangements for their national workforce. Ten of these are current or former Commonwealth authorities such as Australia Post and Telstra. The remaining twenty are private corporations such as Optus, TNT, the National Australia Bank and John Holland Corporation. The work health and safety performance of these companies since joining the Comcare scheme has been strong and in most cases has been better than it was under multiple state schemes. These companies have the benefit of significantly reduced red tape, cost and bureaucracy which frees them up to work more effectively with their employees to improve work health and safety in their organisations.

Following a campaign from the union bosses, the previous Labor government banned multistate companies from joining the Comcare scheme. Labor refused to lift the ban despite a 2012 review of the Comcare scheme commissioned by Labor led by Dr Allan Hawke AC, which recommended lifting the moratorium preventing multistate employers from joining the Comcare scheme, finding the requirement to insure in multiple states and territories to be inefficient and costly. The Leader of the Opposition sat on his hands and did not enact any recommendations of the report as workplace relations minister.

On 2 December 2013, the Coalition government lifted the moratorium so that multistate employers, which meet rigorous financial and governance criteria and demonstrate suitable work health and safety performance, can apply for a license to self-insure in the Comcare scheme, rather than through multiple schemes. It is the government’s intention to also allow the multistate employers who choose to apply to self-insure for workers’ compensation arrangements with Comcare, to also have one set of work, health and safety regulation rather than be subject to multiple state requirements and regulators.

This bill seeks to amend the Safety, Rehabilitation and Compensation Act 1988 (the SRC Act) and the 1/ to expand the eligibility of corporations to self-insure through the Commonwealth’s Comcare scheme.
The amendments:

- remove the need for the minister to declare eligibility to apply for a self-insurance licence while maintaining the ability for the minister to issue directions to the Safety, Rehabilitation and Compensation Commission. This will streamline the current two-stage approval process;
- remove the outdated requirement that a corporation must be in competition with a Commonwealth authority, or former Commonwealth authority, to enter the Comcare scheme; and
- broaden the range of corporations that are eligible for a licence to self-insure under the Comcare scheme to 'national employers' defined as an employer that is required to meet workers' compensation obligations under the laws of two or more states or territories.

This approach will reduce red tape while ensuring a strong and robust approval process by the independent Safety, Rehabilitation and Compensation Commission.

These important productivity reforms are critical for multistate employers. They will give these employers the option of continuing to operate under multilayered worker's compensation and work health and safety regimes, or to apply to have one set of national arrangements.

It is anticipated that the reduction in red tape and significant savings that could be realised for business could be spent on creating jobs and reinvesting in the economy.

**Group licences**

Currently, corporations applying to be covered under the Comcare scheme must be assessed individually for eligibility. A feature that business has been seeking for some time is the introduction of group licences to the SRC Act.

The bill provides for the Safety, Rehabilitation and Compensation Commission to grant a licence to an eligible group of corporations that are owned by the same holding company, in line with the state schemes and the commercial reality of modern multi-company corporate structures.

Introduction of group licences will reduce red tape and costs for corporations as it recognises that groups of interrelated corporations often share return-to-work and work health and safety systems within the group. It will also recognise that each entity that forms part of a group does not individually need to meet the definition of a national employer.

This reform will be better for businesses, better for workers and better for the economy.

**Serious and wilful misconduct**

Currently under the SRC Act, workers' compensation can be claimed by a worker who is injured while involved in payable employment where an injury caused by the serious and wilful misconduct of the employee results in death or serious and permanent impairment.

The bill removes access to compensation where any injury sustained by an employee is caused by their own serious and wilful misconduct.

While claims in this category are rare, the Australian public rightly expects that employees should take personal responsibility for their actions. The government believes that the workers' compensation scheme should be geared towards people acting in a proper and safe manner and not include a safety net for people who break the rules and put at risk not just themselves but other employees as well.

**Offsite recess breaks**

Currently workers' compensation is payable for injuries that occur during recess breaks, even if the employee is not at the place of work when the injury occurs, contrary to the position in South Australia and Tasmania.

The SRC Act as originally drafted provided compensation coverage for employees who were injured while absent from their place of work during an ordinary recess. This provision was removed by the coalition government in 2007, and then reintroduced by the Labor government in 2011.
The effect of the previous government's change to the Act is that workers' compensation could be payable, for example, where an employee sustains an injury while shopping, at a restaurant or playing sport away from the employee's place of employment during a lunch break. This is despite the employer having no control over the activities of the employee or the environment in which the employee engages in such activities. The proper avenue for people to seek recompense for injuries under such circumstances is through the owner of the premises where an injury occurred, not through their employer who has no control over the matter.

This bill addresses this unfair arrangement. Workers who are injured at work, even while having a recess or lunch break, will remain fully covered. Injuries that occur while the worker is away from the workplace undertaking activities associated with the employee's employment or at the request or direction of the employer will also still be covered.

Conclusion

This bill will reduce red tape and help to build a stronger and more prosperous economy. The real savings to business that will be realised under this bill can be reinvested in jobs and in the economy.

Debate adjourned.

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

Export Finance and Insurance Corporation Amendment (Direct Lending and Other Measures) Bill 2014

First Reading

Bill received from the House of Representatives.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:28): I move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:28): I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

I am delighted to be able to introduce this bill today, because it is an important part of our package of RED TAPE reduction on repeal day, contributing to a reduction in business compliance costs, especially for small- and medium-sized businesses.

The Export Finance and Insurance Corporation, or Efic, plays an important role in maximising Australia's trade potential. It helps ensure that Australian small- and medium-sized businesses have access to the finance they need to grow their business overseas and in turn, support our economy.

In recognition of Efic's valuable role and to restore funds removed by the previous government, the Coalition has provided Efic with a capital injection of $200 million in the 2014-15 budget. At the same time, we have renewed Efic's focus to the provision of support to SMEs, which combined with the
capital injection will provide the flexibility to ensure Efic's products and its operations can respond effectively and efficiently to the evolving needs of our economy.

The Abbott government recognises the importance of finance as the oxygen of enterprise to small business and is refocusing Efic to increase its capacity to finance small- and medium-sized businesses seeking to capitalise on global trade opportunities. The vast majority of Australia's exporters are small- and medium-sized enterprises, but traditionally they find it more difficult to secure export finance through banks, particularly when exporting to emerging markets.

Efic plays an important role in supplementing the provision of credit for exporters and we are repositioning it to best support exporters into the future.

Australian Bureau of Statistics data shows that only five per cent of Australian goods exports are capital goods. And yet, under the current Efic Act, Efic can lend directly in support of capital goods but not all goods. This means Efic cannot lend for exports of many of the products in which Australia excels, like pharmaceuticals, or consumer goods like food and wine. For example, this means Efic can support the export of cows, but not milk.

The government has, therefore, decided to enhance Efic's capacity to support small- and medium-sized businesses by allowing it to lend for the other 95 per cent of exports, thus improving the export potential of Australian small- and medium-sized businesses. To implement this measure, this Efic Amendment Bill is required to delete the word capital from the definition of an eligible export transaction in the Efic Act.

This amendment will also support the government's deregulation agenda and benefit exporters by reducing the time and paperwork required to access Efic support. The new direct lending arrangements will remove the need for exporters of non-capital goods to obtain a guarantee from Efic before they can secure funds from a bank, which doubles the due diligence processing time and requires two sets of documentation and legal fees.

This has a real impact on business.

For example, consider the case of the South Australian family-owned paint manufacturer Astec Paints. In recent years, Astec Paints has experienced increasing demand in Japan for its innovative paint products.

The company's elastometric paints, which are designed and manufactured in Adelaide, meet Japan's strict earthquake-resistant building codes, giving them a competitive edge in the market. Thanks to the elimination of all tariffs on paint products under the Japan-Australia Economic Partnership Agreement, the company anticipates that strong growth in the Japanese market will continue.

To meet this demand, Astec required additional working capital to scale-up production. Although Astec's bank was supportive of their growth plans, it was unable assist without additional security. Efic stepped in to provide a $600,000 Export Working Capital Guarantee to Astec's bank. This allowed the bank to provide the funds Astec required.

However, under the current arrangements, Astec had to make two separate applications—one to Efic and another to their bank. As a result, they had to pay two sets of lender fees and charges.

Another Efic client, PCT Global, manufactures EnduroShield, an easy-clean surface treatment. The product was recently used to coat the spire of the new World Trade Centre building in New York. PCT also produces Home Do-It-Yourself (DIY) kits, which it distributes domestically through Bunnings Warehouse.

The DIY product was recently featured as one of Time magazine's top 10 most compelling products. Building on this success, PCT secured a multimillion dollar supply agreement with Home Depot in the United States – the world's largest home improvement retailer.
PCT needed additional working capital to expand production, but their bank was unable to provide further assistance. In response, Efic worked with PCT's bank to provide a US$650,000 working capital guarantee facility, which enabled PCT to meet the increased demand from this business-changing contract. However, without the benefits of the proposed deregulatory measures, PCT faced additional fees, interest charges and administrative costs to secure the guarantee facility.

These are just a couple of examples of how these changes will assist Australian SMEs and why this is such an important amendment to Efic's direct lending arrangements.

However, to ensure these changes do not bring Efic into direct competition with private sector financiers, the government has decided to apply competitive neutrality principles. This also implements the recommendation on competitive neutrality in the 2012 Productivity Commission Report on Australia's export credit arrangements. To achieve this change, the bill provides for Efic to pay a debt neutrality charge and a tax equivalent payment.

This will allow Efic to help commercially viable exporters overcome financial barriers without discouraging private sector participation in the market.

In conclusion, the amendments in this bill will be of particular benefit to small- and medium-sized businesses, the engine room of our economy, while at the same time aligning with the government's commitment to reduce business compliance costs by $1 billion per annum.

**The DEPUTY PRESIDENT** (12:29): In accordance with standing order 115(3), further consideration of this bill is now adjourned to 11 February, 2015.

**Higher Education and Research Reform Amendment Bill 2014**

**Second Reading**

Debate resumed on the motion:

That this bill be now read a second time.

**Senator LINES** (Western Australia) (12:29): When I left off on the Higher Education and Research Reform Amendment Bill 2014 a couple of sessions ago, I noted that vice-chancellors had a lot to say about the interest charges, demanding the government reconsider plans to impose a new higher interest rate on students' HECS loans.

University students and graduates with existing HECS-HELP debts—currently about 1.2 million people—will be hit with thousands of dollars extra in interest on their loans after 2016, and that is clearly not acceptable and was certainly not something students were expecting when we voted in the general federal election in 2013. Currently there are 750,000 undergraduate students and 250,000 postgraduate students who will face future HECS-HELP liabilities under this bill.

Both existing and new HECS-HELP debts will feel the impact of the Abbott government's changes to interest rate indexation from a CPI of two per cent to the government bond rate, capped at six per cent. The current government bond rate of 3.8 per cent is historically very low, and more typically stands at five to six per cent.

The government has broken yet another promise—and let us hear them deny that, but this is another broken promise. This is a recipe for social harm, inevitably leading to a society made up of the 'haves' and the 'have-nots', part of the Abbott government's plan—a plan for $100,000 degrees, crippling debt and vicious cuts to university course funding. This sort of impost on students is not fair—the government is not only asking students to make up the money lost to its cuts, it is asking them to pay for scholarship programs and for research.
The experience of deregulation or the removal of price controls across the world in higher education is that fees increase and people from lower socioeconomic backgrounds, women and mature age students get left behind. Certainly, as a mature age student in my mid-twenties, there was no way I could have imposed a debt of $100,000 on my family when I had two children at primary school. I would not have been able to go to university under this proposal; clearly I could not have done that. And that seems to be a fact the Abbott government fails to acknowledge when it says over and over again: 'There are no up-front fees.' There is certainly a big fat debt at the end of a university degree and, as a mature age student at Murdoch University, I could not have saddled my family with that sort of debt.

The fact that lending institutions now, already, ask applicants seeking housing loans about their HECS debt indicates that students will take the prospect of a huge HECS bill into account as well. Housing prices of course have increased significantly—certainly, they have increased in Western Australia—as have other aspects of the cost of living, not to mention the cost imposts imposed by the 2014 budget in and of itself: the tax on GP visits, the petrol excise increase, and so on. So a student with a big fat HECS debt fronting up for a housing loan may in fact be refused by our lending institutions. It is certainly more probable that those from disadvantaged backgrounds will be deterred from even entering university.

It is interesting to see that some on the Abbott government side and their supporters are calling our campaign to let university students know about these $100,000 degrees a 'scare campaign'. In my home state of Western Australia, one of our prestigious universities, the University of Western Australia, was the first university to announce its 2016 fees under the proposed system: bachelor-level courses have fees of $16,000 per annum, or $48,000 for three years. Minister Pyne is correct that UWA’s fees have not hit the $100,000 mark. But of course what he neglects to say is that three-year degrees are not worth very much these days, and, in fact, for many professions, do not lead to a final qualification.

So an undergraduate bachelor degree is simply not enough to be competitive in the jobs market, and that one degree is not enough to achieve the qualifications required for many professions. To do a law degree at the University of Western Australia you need to do a three-year bachelor degree and then a two-year masters degree. Fees for that program are currently $47,200. So, in effect, the real cost to get a law degree at UWA would be closer to the $100,000 mark. For an MBA, you would pay an extra $47,885 on top of undergraduate fees; for post-graduate civil engineering, another $46,604; for those wanting to be clinical psychologists or masters of pharmacy, the fees are between the fifty thousands and sixty thousands, and, indeed, with the Master of Pharmacy degree, up into the seventy thousands. And those fees are all on top of the $48,000 for the three-year undergraduate degree. So, a message to Minister Pyne: those are $100,000 degrees. And of course you cannot be in a profession, in those areas I have just talked about, without doing the additional two years. They are the sorts of degrees that the Abbott government likes to talk about as ones where people end up on higher incomes, well able to afford paying it back—but of course these, in and of themselves, are degrees which will hit the $100,000 mark. These are real examples from my home state of Western Australia at the prestigious University of Western Australia.

The Group of Eight universities like UWA will significantly increase fees to fund research. Fee deregulation, for these universities, is basically a licence to print HELP debt that students
may never, ever be able to repay. Universities Australia has modelled the potential cost of engineering and nursing degrees. They found:

At the medium fee increase scenario, and with a four per cent interest rate, an engineering graduate working full-time faces a HELP debt of between $98,952 and $113,169 and would repay it over a period of 20-25 years. This is compared with [the current] $46,701 to $49,284 debt and 14 to 18 years repayment time under the existing arrangements.

A nursing graduate under a medium fee increase scenario who works part-time for six years after working full-time for six years will pay off their student loan of $51,620 over 20 years, compared with 17 years to repay a HELP debt of $24,646 …

That is from the Universities Australia media release of 4 June.

In addition, initial fees provide little indication of how high they will climb. The US deregulation of fees showed us this when their fees skyrocketed. A two-year investigation by the US Senate Committee on Health, Education, Labor, and Pensions, investigating the rapid expansion of for-profit college enrolments in the USA, found that for-profit colleges are more interested in generating profits than they are on the education or welfare of their students.

Senator Fifield: What a ridiculous thing to say.

Senator Lines: A recent story in The Guardian in the UK—

Senator Fifield: You are damning the entire sector because of blind ideology.

Senator Lines: 'Private sector and students profit at the college they call 'the ATM' revealed that recent changes in the United Kingdom that allowed private for-profit colleges—

Senator Fifield interjecting—

Senator Lines: to enrol students eligible for government supported tuition loans—

Senator Fifield interjecting—

The Deputy President: Senator Fifield, order!

Senator Lines: So we have these 'ATM colleges' in the United Kingdom that allow private for-profit colleges to enrol students eligible for government supported tuition loans and this has resulted in what has been termed 'cashpoint colleges'. Students are encouraged to enrol in these colleges because they can get access to up to £11,000 of student income support, while the college collects the student tuition fees from the government who lends it to them on behalf of the students—a scheme similar to the HELP scheme in Australia.

This has led to a substantial increase in the level of student debt. It has also raised serious concerns about the quality of education that students at these colleges receive, given that there seems to be little regard paid to whether students attend classes or complete assignments. The USA and the UK experiences demonstrate that there will be private for-profit providers eager to enter the higher education market where public subsidies are available. These businesses target the most disadvantaged students with persuasive marketing.

This attempt by the government to deregulate and turn our universities into some kind of commercial market is wrong. It has been widely condemned by the public; it has been widely condemned by student associations. It is not liked by the university themselves, and that is why Labor will not vote to allow these changes through the Senate today.

Senator DI NATALE (Victoria) (12:41): Before I go to the specifics of the proposed higher education changes contained in the Higher Education and Research Reform
Amendment Bill 2014, it is important to ensure we are having this debate in its proper context. This debate is really about the sort of society we want to live in. Whether we are discussing reforms to higher ed, whether we are discussing some of the changes proposed to our health system, whether we are discussing changes to income support, particularly for young people, or whether we are having a discussion about the role of the ABC we have to recognise that this is part of a much broader agenda that fundamentally challenges long held views about the nature of Australian society. It is a very deliberate and a very clear assault on the nature of contemporary Australian society.

What we are basically involved in at the moment is a debate about the sort of country we want to live in. On one side we have the current conservative government, whose project is to forge a path for a new Australia—one where there is smaller government, lower taxes and a move towards a user pays society. I know Senator Ryan is dying to interject—I saw his face light up as I mentioned those things—but let us be frank: that is what this is about. I have to say I am grateful in one sense to the coalition because we often have debates in this place that are really meaningless; they are lots of froth and bubble. This is actually a debate about something of substance; it is a debate about the sort of country we want to live in. And at least we are having a debate that means something. If there is anything that I can say that is positive about these changes, it is that, at the very least, we are having a debate about what is the role of government. What is it that we want from our elected leaders? What is the role of education; what is the role of universal health care and how should those things be funded?

Let us perhaps look at some of the underlying tenants that lead to these changes. The first one is that Australia's public service is bloated, that it is inefficient, that we spend too much. But when you look at the facts, this is where it becomes a little more difficult for the conservative side of politics because, when challenged with some hard data, it is very hard to maintain the view that we have an inefficient and bloated public sector. In fact, our public sector and level of debt is much lower than similar OECD countries. There is no evidence to suggest that we need to move towards shrinking our public sector, particularly when you look at the evidence relative to other similar developed countries.

And then of course there is the question: what is the correlation between the size of government, the rate of economic growth and the wellbeing of those societies? There is no real correlation. Some countries have big public sectors, they have a high rate of growth, they have done very well and their citizens have a high quality of life. We have other countries with very small public sectors where the opposite is true. There is no obvious correlation, so the idea of big government or small government is much less important than whether what we have got is good government—that is, whether we have the efficient use of public resources, whether we are allocating those resources in a way where there is minimal waste and where those resources are distributed in a fair and equitable manner. That really is the question that we should be asking ourselves.

Debate interrupted.
Debate resumed on the motion:
That these bills be now read a second time.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (12:45): I rise to speak on the Customs Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014 and the Customs Tariff Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014. On behalf of the opposition I indicate our position, which is as was expressed in the other place: that we support the passage of these bills, which are an important part of the implementation process of the Japan-Australia Economic Partnership Agreement.

I do want to raise an issue about timing, and there may be a clear explanation of this, but the government announced negotiations on this agreement concluded on 7 April 2014. The opposition, at the request of the government and from representations by Japan, has facilitated timely parliamentary consideration. But we are debating this legislation in the second-last sitting week of the year. As I said, there may be an explanation for the time frame between April and now as to why that is the case but it does seem that there has been some delay.

Enough of that: I want to move at the outset to the importance of trade. Labor has a long history of supporting stronger trading relationships with our region and the world. In fact, when I had the privilege of giving the 'Light on the Hill' speech and exploring some of the speeches and policies of Ben Chifley, the former Labor prime minister, it was quite clear that in fact even then the Labor Party was talking about the importance of trade with Asia. Of course, previously in this place, I laid out the history of trade liberalisation under Labor governments, whether under the Chifley government or subsequently the Whitlam, Hawke, Keating and, of course, the Rudd and Gillard governments. We in the Labor Party support trade because it is all about ensuring that we can try to create more jobs and build higher living standards for Australians. Fundamentally, Australia—given the size of our market—will not be able to do that if we sell only to ourselves. So it is a fundamental economic principle, and that has guided this trade liberalisation approach of the Labor Party over successive Labor governments.

The most recent exposition of Labor's position on this in many ways in government was the Australia in the Asian century white paper, which the former Labor government commissioned. That mapped out the opportunities and challenges for Australia in our region. My colleague in the other place, Ms Plibersek, outlined some of these pathways. These, of course, were part of a whole-of-government plan to encourage and support Australian business operating in and connecting with growing Asian markets. The white paper noted that Australian business and their employees have their potential to be big winners from the Asian century, with new and expanding opportunities for our miners, manufacturers, farmers and, importantly, service providers. Services are obviously a large part of our domestic economy and a smaller part of our exports. Over the decades to come I think all Australians would hope...
to see high-quality services being delivered to the growing markets of Asia, enabling good jobs and better living standards for Australians.

But, as we all know, Australian businesses, no matter how competitive they are, no matter how highly skilled their employees are and no matter how innovative they are cannot participate fully in the Asian century if they have restricted market access. This is why, in addition to pursuing multilateral progress and plurilateral agreements, the former Labor government was committed to concluding high-quality bilateral trade agreements with our trading partners.

I want to turn now to the initial reaction to the economic partnership agreement with Japan. I regret to say that this criterion of high-quality agreements has, certainly from the perspective of many stakeholders, been downgraded by the government in its quest to stage signing ceremonies to coincide with bilateral visits. Many Australian industries have expressed concern about being short-changed. We know that the announcement of the Japanese agreement was timed to ensure that it coincided with the Prime Minister’s visit to Japan in April.

The public record records the disappointment of the National Farmers’ Federation and of key export sectors. The NFF said the agreement falls far short of the mark and it does not improve, or marginally improves, market access and terms of trade for a number of sectors, such as dairy, sugar, grains, pork and rice. Australian Pork Limited described the agreement as ‘substandard’ and a ‘missed opportunity’. Canegrowers called it ‘yet another kick in the guts for Aussie cane growers’. The Ricegrowers’ Association of Australia was extremely disappointed. The Dairy Industry Association of Australia observed, ‘Our words fell upon deaf ears.’ One wonders, given the litany of views that I have outlined from these industries, where the National Party was when these complaints were being raised with the government.

After the tabling of the text of the agreement some months after the conclusion of negotiations, there have been two parliamentary inquiries relating to the economic partnership agreement. The first was by the Joint Standing Committee on Treaties, known as JSCOT. I thank the committee on behalf of the opposition for its work in investigating and reporting on the Japan-Australia Economic Partnership Agreement and also to those businesses, organisations and individuals for their valuable and informative submissions and statements made to the inquiry.

The JSCOT report was unanimous and, whilst it acknowledged the limitations of the agreement, the committee report highlighted several benefits of the bilateral trade agreement. These benefits included improved market access for some Australian exporters of goods and services including particularly beef, wine, horticulture, energy and resource products as well as services. Secondly, they included a first-mover advantage for Australian industries, providing exporters with time to build strong, quality and reliable brand names in households throughout Japan. I note this is of some significant advantage because Japan is currently negotiating a number of trade agreements, including some with some of Australia’s key agricultural competitors. Thirdly, they included favourable review mechanisms and most favoured nation provisions which hold promise for wider and deeper market access. And finally, they are a first step with potentially greater improvements to come as a result of the outcome of ongoing negotiations that are occurring regionally.
JSCOT concluded that it was satisfied that the Japan-Australia Economic Partnership Agreement has the potential to provide Australian business and industry with a range of profitable opportunities, and that binding treaty action should be taken. The opposition agrees that this agreement does have the potential to provide opportunities and we urge the government to assist business in realising those opportunities. We welcome industry outreach in education programs, in particular by the Australian Customs and Border Protection Service, but note there is more to be done. We also commend efforts by industry groups and business groups, including the Export Council, to extend the reach of benefits under free trade agreements. Labor also maintains its position of encouraging greater transparency and simplicity in administration and rules so that many businesses can possibly benefit from the opportunities in this agreement. We urge the government to proactively utilise the review mechanisms built into the agreement in order to gain further access to the Japanese market.

The second inquiry was conducted by the Senate Foreign Affairs, Defence and Trade Legislation Committee which examined the provisions of the bills before the chamber, and we welcome the second report. During a prior inquiry into bills relating to the implementation of the KAFTA—the Korea-Australia Free Trade Agreement—the Senate Legal and Constitutional Affairs Legislation Committee recommended that customs make available a table which refers to each of the specific provisions of the KAFTA, and identify where those provisions have been adopted or have been proposed to be adopted into legislation, regulation or procedure. Such a table was subsequently produced and is now available on the Australian Customs and Border Protection Service website. This is a practice which arose directly out of Senate committee recommendations—an example of government and legislative process being improved through the adoption of Senate committee recommendations—and I urge the government to continue to take this approach. I understand that a similar table in relation to the partnership agreement before us is not yet available, and will be after the legislative processes are finalised. Labor's suggestion is that the recommendation of the committee—that the customs service make publicly available the table which refers to each specific provision and which also identifies where those provisions have been adopted or are proposed to be adopted, whether in the bills otherwise in legislation or regulations or by procedure—be accepted. So, consistent with recommendations not just from the Senate committee but also from groups such as the Customs Brokers and Forwarders Council of Australia and the Export Council of Australia, I would ask the government to ensure that the table for the Japan-Australia Economic Partnership Agreement be published today. I note that the minister's adviser is here in the box and I wonder if he could do us the courtesy, perhaps, of passing that indication from the opposition on to the government, particularly in light of our facilitation of the legislation before the chamber.

We also urge the government to improve transparency on trade agreements. I again draw the attention of the government to the resolution passed by the Senate on 11 December 2013 requiring the tabling of concluded trade agreements at least 14 days prior to signature. The government's announcement of the China-Australia Free Trade Agreement—another photo-opportunity—is another example of trade agreements being choreographed by the Prime Minister's office with little transparency about the detail of the agreement. I reiterate that the opposition expects the government to table the concluded agreement before signing, particularly given the government has already announced substantial portions of the
agreement. There is no argument by the government that it should not table the text after the agreement is concluded but prior to signing.

I would also indicate, given that the minister's adviser did not acknowledge my previous request, that I would be grateful if the representing minister could perhaps pass this on. The opposition wrote to the government on Wednesday 19 November seeking a full briefing on the China-Australia Free Trade Agreement. I did have a conversation with the minister to follow up this request, but we have not yet received a response to this request. In the interest of ensuring that the opposition is fully briefed on such an important arrangement, I would ask if the government could follow this request up. We have demonstrated a cooperative approach in relation to this bill, and where possible—and it is not always possible, but where possible—the opposition seeks to bring a bipartisan approach to trade policy and legislation where it is in the national interest. I would ask the government to do the opposition the courtesy of responding to that request shortly.

There are some areas in terms of trade policy where we do part company from the government, and I am pleased to say that one of those aspects is not an issue in this agreement. We welcome the absence of an investor-state dispute settlement provision in this agreement. In contrast to other agreements concluded by the government, the Japan-Australia Economic Partnership Agreement does not provide foreign investors with greater rights than domestic investors. We note with some concern the review mechanisms embodied in this agreement do make reference to ISDS, and it is difficult to understand why the signing of a future agreement with another nation containing an ISDS provision should trigger a review under Australia's agreement with Japan. Last week the government announced it had substantially concluded negotiations on a preferential agreement with China that regrettably includes an ISDS and we remain concerned on this side of the chamber with that inclusion.

Pursuant to the terms of this agreement with Japan, Australia must commence a review within three months following the date the China-Australia agreement enters into force with: 'a view to establishing an equivalent ISDS mechanism,' under the agreement with Japan. I wish to record our concern with this. I wish to, again, say that the government should not ignore the concerns of many Australians—including the Chief Justice of the High Court of Australia—regarding investor state dispute settlement provisions.

The Labor government announced, in 2011, it would not agree to provisions in investment and trade agreements that confer greater rights on foreign businesses than domestic businesses and, in particular, that we would not see their inclusion in any trade agreement. We, again, urge the government to rethink its decision to include settlement provisions such as these in trade agreements, and we caution against any possible backdoor introduction of such an agreement through the review provisions in the Japan-Australia agreement. I flag that a future Labor government would exercise Australia's right as a party to the agreement to propose the excision of any subsequently included ISDS provisions.

Another area where the opposition has laid down a marker is in relation to the movement of people provisions. We do believe that any trade agreement should increase, not replace, Australian jobs. We do believe that the movement of people provisions should include the requirement to undertake labour market testing or other safeguard in the agreement. We do believe Australians should have the opportunity to fill job vacancies where they have the
capacity to do so. The government’s failure to include labour market policy space for labour market testing in this and other agreements do not support that objective.

Australia and Japan have a strong and stable relationship, a good relationship, and one that we do want to continue to build on. We welcome the opportunities provided by this agreement to further build on that relationship and to grow our economies and domestic employment. Labor do believe that the Abbott government should have secured a more comprehensive and inclusive agreement with Japan. However, we do recognise the agreement provides benefits to Australia. We support the bills before the chamber, which are critical to the implementation of the agreement.

Consistent with the position we outlined in the other place this support is not without reservations and, for the reasons I have canvassed, both in this debate and more broadly, I move the following second reading amendment, which has been circulated in the chamber:

At the end of the motion, add:

but the Senate calls on the Government to:

(a) not agree to any inclusion of investor state dispute settlement provisions in the Japan-Australia Economic Partnership Agreement;

(b) enact policies to ensure that Australian workers benefit from jobs growth created under the Japan-Australia Economic Partnership Agreement; and

(c) utilise the review mechanisms in the Japan-Australia Economic Partnership Agreement to seek further market access gains, especially in agriculture.

Senator LUDWIG (Queensland) (13:03): I rise to speak on the Customs Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014 and related bill. Can I, at the outset, indicate that I did not get an opportunity to talk on report 144 of the Treaties Committee. I am on the Treaties Committee and did want to use this time to speak on the bill and obviously underline a treaty that now supports it. Of course, the Treaties Committee plays a very valuable role in both looking at the treaty itself, the national interest analysis provided by the government, and looking at the submissions from a range of individuals about the impact of the treaty. The interest that this treaty did provoke, not only in agriculture, but in minerals and energy and a range of financial services highlights the interest from stakeholders in this particular treaty. Some may ask why. If you look at Japan from Australia's perspective it is our second largest export market, which is in the vicinity of $4 billion. We have had attempts to finalise a treaty arrangement with Japan for some time now, so I do congratulate the government for finalising this important agreement.

I note that Labor has always supported stronger trading links within our region, and in government we had pursued and successfully completed a number of free trade negotiations with our regional neighbours. As I indicated, Japan is Australia's second largest trading partner after, of course, one of our near neighbours, China. It is an important agreement, nonetheless, which will open up many opportunities for agriculture, for financial services sector, and for oil and gas. The Regulatory Impact Statement for this agreement shows that Japan has granted tariff reductions to beef, sugar, seafood, wine and horticultural goods. I will come back to sugar in a moment. Japan will also eliminate its tariffs on Australia's mineral and fuel resources within 10 years. Australia has been given increased quotas for goods such as pork, dairy and grains. I might just come back to pork as well.
However, there are some concerns as noted by the National Farmers' Federation which said the agreement 'falls short of the mark'. That was said by the National Farmers' Federation, which represents the interests of farmers right across Australia. They also said that it:

... does not improve—or marginally improves—market access and terms of trade for a number of sectors such as dairy, sugar, grains, pork and rice.

Australian Pork Limited said the agreement is 'substandard' and a 'missed opportunity'. Cane growers said, more stridently, it was 'yet another kick in the guts for Aussie cane growers'.

When you look at the Joint Standing Committee on Treaties report, we do go through some of these issues; although I think the government did play down the missed opportunities for both pork and sugar. The sugar industry in my home state plays a significant role in our economy, and it was looking for a much better opportunity in its export markets. It supports many regional economies in Queensland, it supports jobs and opportunity and it supports investment as well. It would have been good to see the sugar industry benefit. Having not been part of the negotiations—these are matters for the executive to do—I encourage the executive to continue to press for better opportunities for sugar for Queensland specifically, although I do recognise that New South Wales does contribute to the sugar industry; but I am not going to talk about New South Wales.

It is important that we do have a government that remains focused on agriculture, because the benefits for agriculture in Japan are very good. We did mention sugar briefly in the treaties committee when dealing with agriculture. Japan is our second-largest agricultural market with an estimated total market of $4 billion. In real terms that amounts to about 10 per cent of Australia's agricultural exports in 2013. Significantly, beef is up there as one of the high marks, and beef will have reduced tariffs, from 38.5 per cent to 19.5 per cent for frozen beef, and 23.5 per cent for fresh and chilled beef over 18 years and 15 years respectively. This will ensure that we maintain our ability to compete in that market with the US and that we can continue to have opportunities in the domestic market in Japan. Of course, these cuts are heavily front loaded because they do provide an early benefit to beef. From the perspective of the negotiators of this agreement, they did listen to the beef industry, who had been seeking much better access over some time for this market.

There are some areas where Australia will be permanently exempt from Japan's global snap back safeguard, whereby Japan has the right to increase the tariff to 50 per cent should beef imports from all sources exceed a volume limit. There is also improved access for offal preserved meats and live cattle. When we talk about beef people often think about rump steak and T-bones. But it is important that the whole animal—in its broken-down state, of course—including offal, accesses these markets, because that is where the beef processors can realise some great opportunities and sustain interest in those markets.

The pork industry will gain preferential access for a large volume of product—more than 10 times the current trade and around 40 per cent of Australia's total pork exports to all countries. The industry acknowledges the significant quota for Australian pork but it does highlight Japan's continuing high surcharges.

I will deal with sugar before I go on to deal with the broader issue that I think the pork industry has touched upon. The report of the treaties committee says that the Australian sugar industry has expressed disappointment that low polarity raw sugar was excluded from the agreement. The sugar industry had pushed for improvements in its access for high polarity
raw sugar, and I mentioned their view on that. But one of the areas overall, and I think the pork industry did highlight it, is that it is about the agreement providing opportunities into the Japanese market by having a reduced tariff and by having those opportunities. But one of the areas where the government must remain vigilant is in ensuring that there are no technical barriers to the trade, that the Japanese market remains open and that Australian exporters can compete, because it is noted in the treaties report that there are non-tariff barriers. While it says that the significance of the tariff elimination reductions are generally acknowledged, there remains considerable concern over ongoing non-tariff barriers inhibiting access to the Japanese market. This is where the government who has signed this agreement must remain very vigilant to ensure that those non-tariff barriers do not get in the way of Australian exporters going into that market. The Export Council of Australia told the committee:

… that Japan's 'relatively complex and multi-layered regulatory framework' proved a deterrent to Australian businesses …

It is important that this government works with the Export Council of Australia and its members to make sure that those non-tariff barriers are not significant, that they can be ironed out and that they do not provide a barrier to trade between Australia and Japan, particularly in agricultural products.

This agreement comes with the support of the Labor Party. That is why the previous government released the Australia in the Asian Century white paper—because we believe it is important to have a plan for the opportunities as well as to prepare for the challenges in our region. The white paper is clear on how we can move forward in this regard:

The Asian century offers a wealth of opportunities and career choices in a variety of businesses (including small and medium-sized enterprises), especially for Australia's young people:

- in mining and resource related sectors—continued economic development in the region will drive demand for energy and mineral resources
- in tourism, sport, education, the arts and creative industries, professional, banking and financial services, and science and technology—thanks to growing affluence in Asia
- in agriculture—rising food demand, connected to rising populations and an expanding middle class in Asia, offers an opportunity for Australia to be an important supplier of high-value food, requiring greater investment by agribusinesses to boost output and research, adapt to regulatory change and build capacity
- in manufacturing and services—as Australian businesses join regional and global value chains and over time become increasingly integrated and specialised, they will offer high-value and innovative products and services
- in environmentally sustainable growth, natural resource management, infrastructure development, urban design and health and aged care—as Australians leverage their expertise to do business with their neighbours.

The Australia in the Asian Century white paper laid down these fundamental principles about how we should engage with Asia, because it is important to have a plan for the future. I note that the Abbott government has shunned the Australia in the Asian Century white paper. It has been taken down from the website of the Department of the Prime Minister and Cabinet. That concerns me for many reasons but for one in particular. It seems to be just like the Abbott government to do this, because it does not have a plan for Australia in the Asian century. It also reflects on a government that does not have a plan for health, education, infrastructure,
defence, manufacturing—and the list goes on, unless you consider that the only plan that they have is cuts, cuts, more cuts, a bit more pain and a few more cuts. That appears to be the only plan that they could have.

Government senators interjecting—

Senator LUDWIG: Some others that do not have a plan—if we want to get under their skin—are the Newman government in my home state of Queensland. We have seen the impact that that can have on the economy. Business confidence and investment and trade opportunities for Queenslanders can slump. The unemployment rate today in Queensland is 6.8 per cent. That is right—6.8 per cent. When Labor was in government, it was 5.4 per cent. That does rouse the opposition, but what are they doing to assist exporters in sugar and other industries to ensure that they have opportunities in Queensland, to create jobs and to ensure that we have great export markets into Japan, other than just whinge from the sideline? That seems to be their major way of progressing the issue.

Let me deal with some of the key benefits of implementing the agreement. We have a first-mover’s advantage. Australia has secured preferential market access for some of its goods and services ahead of any other country. This preferential access, coupled with Australia’s clean, green image and reliable supplier status, will result in increased exports to Japan, and they should grow over time as these tariff barriers come down. I just hope that this government remains focused on ensuring that technical and market access issues are dealt with quickly and in the right way to ensure trade continues to grow.

The joint standing committee, as I referred to, provided a unanimous report, with no additional comments or dissent, because of the significance that Japan has to Australia. The report provided a balanced view on the benefits, as well as—and I have touched on these—the suboptimal outcomes and the regulatory complexity that could be a barrier to trade. Importantly, multiple parties support this agreement—including the National Party in Queensland, because of sugar, I suspect. They can explain to that industry what happened, and they can then clearly indicate to beef and the remaining agricultural industries that there has been a good outcome by this Liberal government federally. But, if I want to go back, the work started in 2007 under Labor. I visited Japan to push for an agreement and a reduction in tariff barriers for agriculture. Why? Because I recognise the importance of Japan to agriculture, both in Queensland and nationally. It has been difficult across the divide, particularly in agriculture, to get our countries focused on ensuring that we could reduce those tariff barriers.

Turning to some of the important parts of this agreement and the subsequent amendments, the tariff amendments bill will ensure that the customs duty rates applied by Australian Customs to Japanese goods will be in accordance with the preferential rates and phasing-out periods agreed to in the agreement. It will provide rules and procedures to identify and certify Japanese goods that qualify for preferential tariff rates and related matters, and it will ensure that the operative amendments come into force on the day of the agreement so that agricultural products and industries can benefit from this agreement in the first part of 2015.

Senator GALLACHER (South Australia) (13:22): I too rise to make a contribution in this debate on the Customs Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014 and the related bill.
Mr Acting Deputy President Bernardi, I might have mentioned to you previously that the Senate is a wonderful place and you come across information, which in the normal course of your life you would never, ever stumble across. I thank the Parliamentary Library as they are always a source of incredibly pertinent and succinct information.

The total value of Australian exports to Japan in 2013 was $47,501 billion; imports from Japan—$18,914 billion—so total trade, exports and imports, is around $67 billion. That is a significant figure from my perspective and, I suppose, for any elector in the street, it is a significant amount of money. It is instructive to note that, of Japan’s principal destinations, we only rank at No. 10—we are 2.4 per cent of Japan’s principal export destination; however, of principal import destinations, we are in the top three—it is China, United States and then Australia.

This is a critically important piece of treaty making, if you like, for the economic welfare of this country. As a member of the Foreign Affairs, Defence and Trade Legislation Committee, we sought some submissions in respect of the making of this treaty and the passing of the enabling legislation. I put the caveat up front that I am going to quote selectively from a group of people who made submissions. It is not my intent to alter their support or general goodwill towards the making of this treaty; it is for a specific purpose, which I will get to in the latter part of my contribution.

We go to the Australian Lot Feeders’ Association. They say:

The JAEPA promises to deliver significant tariff reduction gains to the Australian beef industry in what is our largest export market. Under the JAEPA, the tariffs on frozen Australian beef entering Japan will drop from 38.5% to 19.5% over 18 years (with an 8% cut on entry into force (EIF)), while the tariffs for chilled beef will fall from 38.5% to 23.5% over 15 years—including a 6% cut on EIF. Whilst falling short of the beef industry’s tariff elimination objective, modelling suggests that the tariff reductions will benefit Australian beef export sales by around $5.5 billion over 20 years and annual gross value of Australian beef production by up to 7%.

These are not small figures. The interesting thing is: why would country put a tariff on protein?

Fortunately, I had the opportunity to visit Japan and Korea last month. When that question was put to our ambassador, he simply said they have a recent history of famine in this country. There are still people around who can remember not having enough food, so food security is extremely important to them. They want to grow food or produce beef in their country. It is a particular type of beef for their palate, and they do not want to have to import all their food. That was particularly instructive for me, because I could not understand why you would pay $35 a kilo for beef when you can probably get it a lot cheaper. The second point is that farmers in Japan are a very powerful lobby group. In particular, members of the Diet will be more stringent and protective than some elements of our parliament here in respect of that. I respect that, so it was an instructive visit.

The Cattle Council said:

While the objective of total tariff elimination was not met, under the JAEPA there are significant tariff reductions which will have positive implications for the Australian beef industry.

Once again, the economic modelling takes it up to $5.5 billion over 20 years, despite the fact we will still have significant tariffs.
Senator Ludwig mentioned Australia Pork. They say:

APL welcomes the outcome for Australia's pork producers through the reduction (within quota) of the ad-valorem tariff on all fresh, chilled and frozen pork lines and Australia's exemption from Japan's global gate price safeguard.

However, APL questions the need for an arbitrary quota of 14,000 tonnes when there has been no application of tonnage restrictions to date. Moreover, with recent annual Australian exports to Japan only a fraction of this quota, pork exports from Australia to Japan pose no threat to the profitability of Japanese pork producers. Given the JAPEA has already been signed, APL seeks that the Australian Government requests the abolition of the quota following the conclusion of the implementation period.

It goes on.

Very close to Senator Edwards and my hearts is the Australian wine industry, because we know—I don't think we will get any interjections or contention—that South Australia produces the best wine in Australia and, arguably, some of the best wine in the world.

Senator Bilyk: Bar Tasmania!

Senator GALLACHER: South Australia produces the best wine in Australia and, potentially, the best wine in the world. But we face a 15 per cent or 125 yen per litre tariff, whichever is the lower, on entering Japan. Unfortunately, the wine of Chile has attracted a preferential rate since 2008 and, as a result of the free trade agreement between Chile and Japan of the previous year, between 2008 and 2013, imports of Chilean wine to Japan increased from 13.3 to 36.4 million litres while imports of Australian bottled wine have fallen: 7.3 to 6.8.

Chilean wine, unfortunately, now constitutes about 20 per cent of the Japanese wine market with Australia contributing less than four per cent. Upon agreement, the tariff on Australian bulk wine exported to Japan will be eliminated upon entry into force. The tariff on Australian bottled wine will decrease in instalments over a seven-year period—only eight per cent of Australian wine exported to Japan is dispatched in bulk, so it is not a perfect solution for the Australian wine industry and, in particular, the greatest producer of that: South Australia.

The Minerals Council said:

No other option … exists at this time to deepen the Australia-Japan economic relationship. Without JAPEA, Australia would gradually lose competitiveness in important sectors of the Japanese market.

The Australia Japan Business Co-operation Committee clearly state:

The Australian ambition in all its trade negotiations is to eliminate tariff and other barriers to trade and investment. The AJBCC is very supportive of this ambition. The AJBCC has warmly congratulated each Minister and government official whom, over the seven years, worked tirelessly for the desired … outcome. Being a WTO comprehensive agreement amongst two sophisticated economies ensured that it would be a tough road. The result has been broadly welcomed across the sectors. Whilst for the present, not all aspirations have been met, the AJBCC welcomes the review mechanisms that have been incorporated within the Agreement as providing for the potential of earlier and/or further liberalisation.

RMAC state:

Whilst falling short of the beef industry's tariff elimination objective, modelling suggests that the … tariff reductions will benefit Australian beef export sales by around $5.5 billion over 20 years and deliver an increase in the annual gross value of Australian beef production by up to 7%.

These submissions all support the prompt passing of this legislation. Very importantly, they all make a similar comment. Another submission states:
These Japanese tariffs in our view are extremely high compared to other importing countries and a constraint on trade cost on Australian beef processors and ultimately the Australian beef producer in servicing this market. The Australian beef processing sector has and continues to face increasing competition from the United States.

So we have Chile, the United States and New Zealand in dairy. We are facing a situation where a large economy has great demand for our products and we are actually in these agreements competing with other countries for access. It is not a straight up and down free trade agreement. Some people do not realise that in a free trade agreement some items are free into Australia next year, lots of stuff is free into Japan this year and a whole swag of stuff will be subject to quite high and extraordinary tariffs.

That sets me up for the next part of my contribution. I foreshadow that the Senate Foreign Affairs, Defence and Trade References Committee has agreed to conduct an inquiry into the Commonwealth's treaty-making process. This morning I lodged in this chamber a notice of motion to refer this matter to the committee for inquiry and report by the middle of the year. The timing of such an inquiry, particularly in light of the growing number of bilateral and multilateral trade deals negotiated by both Labor and coalition governments, will enable the committee to examine such matters as whether there is scope for the parliament and parliamentary committees to play a greater and more meaningful role in negotiating, approving and reviewing treaties, whether the current mechanisms for consultation within and between federal and state and territory governments are adequate and whether there is room for improvement, whether there is scope for individual independent assessment, analysis and review of treaties both before and after implementation and, perhaps most importantly, whether the current process for public and stakeholder consultation with government provides an adequate level of openness, transparency and accountability.

Having said that, I accept that, under the Westminster system and the Constitution and consistent with the practices in other Westminster parliaments, the power to enter into treaties is an executive power within section 61 of the Constitution, and I do not see that changing any time soon. Hence this proposed inquiry does not intend to rake over the constitutional and legal grounds covered in great detail by the 1995 report of the Senate Legal and Constitutional Affairs References Committee entitled *Trick or treaty? The Commonwealth power to make and implement treaties*. However, it has become clear from some of the evidence received by recent parliamentary inquiries into the Korea-Australia Free Trade Agreement, the Japan-Australia Economic Partnership Agreement and, most likely in the future, the China-Australia Free Trade Agreement and the Trans-Pacific Partnership that many of the concerns raised in the mid-1990s about a so-called democratic deficit—a lack of public consultation and parliamentary scrutiny in the treaty-making process—remain as strong, if not stronger, than ever before.

It has been nearly 20 years since wide-ranging reforms to the treaty-making process were introduced as a result of the *Trick or treaty?* report's recommendations. The tabling of treaties in parliament at least 15 days before binding action is taken, the preparation of a national interest analysis and the establishment of the Joint Standing Committee on Treaties, JSCOT, were all significant changes and improvements to the process at the time—I acknowledge that—but it has been nearly 20 years since a Senate committee has looked exclusively at the way Australia negotiates and enters into treaties from the perspective of the community and stakeholder engagement during the initiation and negotiation phase of treaty making. That is
the nub of the matter for this proposed inquiry by the Foreign Affairs, Defence and Trade References Committee. I believe it is time for the Senate through a public inquiry process to have another look at the 1996 reforms to see if there are opportunities for more openness, transparency and accountability in the way that treaties and in particular free trade agreements are negotiated between Australia and foreign governments.

I know—as you do, Acting Deputy President Whish-Wilson—lots of people who have a view on agreements. They come from their particular points of expertise, involvement or business. It is not hard to find fault with the treaty-making process that we have in Australia if you have a siloed approach or you have a particularly strong view—maybe on the manufacturing of motor vehicles in Australia. It is not hard to find people who say that free trade agreements are wrong.

It is our job in this place to get across all of the detail that we can. The democratic deficit that has been alluded to in this contribution—as you well know, Acting Deputy President, with the TPP—is that it is almost impossible to get advice about what is being negotiated prior to its being tabled here for enabling legislation.

I think that trade is important to this country, and the benefit is easy to quantify and articulate in aggregate. In aggregate it is clear that we do very well with Japan and we do very well with Korea. It is interesting to note that some 30-odd per cent of Japan's imports from Australia are as a result of their nuclear shut-down. The LNG is now going into Japan and having a detrimental effect on their national budget. That may well change in the future, when 20 of those nuclear stations come back on line.

But I think it is incumbent on everybody on this place who has an involvement in these areas to get across some of the detail and to understand that the complexity that the department has in negotiating these agreements. One case that comes to mind is the honey industry—the beekeeping industry in Australia—who do not benefit from access under these agreements. When asked, on notice, whether the department simply forgot about the honey producers of Australia, the answer was, 'No; we did not forget about them; it was just that the other side was insistent on not allowing Australian products into that market.' That is a little strange for our side of the table to accept, when, as the treaty processes through, we will be accepting zero tariffs on motor vehicles from Hyundai or Kia but we cannot even get a bucket of honey into Korea. It seems as if there is no logic in all of that.

However, they have a very strong view on their domestic sectors. Quite clearly, they are prepared to make their populations pay more for staples such as protein than we would be prepared to accept here in this country. I have experienced first hand the ongoing battle that our negotiators face. We had a session in the Japanese parliament and I said, 'Why do you tax your people for beef? Why do you have a tariff on protein in a country as wealthy as this?' The answer is, as I said before, that they have a very politicised sector. They have a very vigilant sector that protects itself. There is a history in the country of people going without food. They do not want to have all their eggs in one basket. They want to have food security, and that involves producing some themselves.

So Japan does not buy all of their coal from one place; they do not buy all of their gas from one place. They spread it out a bit. They do not want to be beholden to any particular market place. But we are pre-eminent in that space. We are one of the best trading partners Japan has. That was very clear from all of the politicians I met, along with the rest of the delegation in
the Japanese parliament. They like our wine. They like our gas. They like our coal. They like our iron ore. We are a reliable trading partner. Somehow or other, we need to be able to push them a bit harder on access for or agricultural products, because we are probably not doing as well as we could.

I complimented the chair of the foreign affairs trade committee of the diet on his negotiations in agriculture. I said, 'You've done very well, because we would have preferred these tariffs to come down a whole lot quicker.' And even in the translation the irony was not lost. They did laugh. They know perfectly well. Our treaty makers—our negotiators—are doing a damn good job and are pushing as hard as they can.

My only comment is that there is not enough transparency in the system. We are not taking every stakeholder with us. If this inquiry that we have foreshadowed is able to put some recommendations up to improve the treaty-making process then this Senate will have done its job.

Senator RYAN (Victoria—Parliamentary Secretary to the Minister for Education) (13:42): The Labor Party's lengthy discussion of legislation previously considered non-controversial continues. Senator Wong raised a few issues, which I know have been brought to the attention of the minister's office as requested.

Senator Gallacher mentioned the reforms of 1996 to the treaty-making provisions. I might say that in a past life I had some work to do with those reforms before they were enacted by the Howard government. However, I will correct the record to say that those reforms were the product not of issues that had arisen out of trade discussions; they were the product of public concern about the number of treaties that were being entered into by the executive in an attempt to override state powers and abuse the external affairs power under the previous Keating government. They were not the product of discussion about trade treaties.

Turning to this legislation, the Customs Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014 contains amendments to the Customs Act 1901. These amendments implement Australia's obligations under chapter 3 on the rules of origin as set out in the Japan-Australia Economic Partnership Agreement. These rules are essential for the purposes of determining whether goods imported from Japan are eligible for preferential rates of customs duty under the economic partnership agreement.

The bill also includes amendments to include relevant obligations on Australian exporters and producers who wish to export Australian goods to Japan under the agreement and obtain preferential treatment for those goods. Certain powers are also conferred on authorised officers to examine the records and ask questions of exporters or producers of goods exported to Japan in order to verify the origin of such goods.

The Customs Tariff Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014 contains amendments to the Customs Tariff Act 1995 that will implement Australia's tariff commitments set out in the Japan-Australia Economic Partnership Agreement. These amendments are complementary to those contained in the Customs Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014. I take this opportunity to indicate that while the government will not be supporting the second reading amendment moved by the Leader of the Opposition, we will not be dividing on it.
The ACTING DEPUTY PRESIDENT: The question is that second reading amendment moved by Senator Wong be agreed to.
Question agreed to.
Original question, as amended, agreed to.
Bills read a second time.

Third Reading
The ACTING DEPUTY PRESIDENT (Senator Whish-Wilson): As no amendments to the bills have been circulated I shall call the minister to move the third reading unless any senator requires that the bills be considered in committee of the whole.

Senator RYAN (Victoria—Parliamentary Secretary to the Minister for Education) (13:45):
I move:
That the bills be now read a third time.
Question agreed to.
Bills read a third time.

Australian War Memorial Amendment Bill 2014
First Reading
Bill received from the House of Representatives.

Senator RYAN (Victoria—Parliamentary Secretary to the Minister for Education) (13:45): I move:
That this bill may proceed without formalities and be now read a first time.
Question agreed to.
Bill read a first time.

Second Reading
Senator RYAN (Victoria—Parliamentary Secretary to the Minister for Education) (13:45): I move:
That this bill be now read a second time.
I seek leave to have the second reading speech incorporated in Hansard.
Leave granted.
The speech read as follows—
I am pleased to present legislation that will give effect to the Government's election commitment to prohibit the imposition of parking and entry fees at the Australian War Memorial.

The Australian War Memorial is the nation's home of reflection, remembrance and commemoration. It houses our national story of service in times of war and peace. Every year, close to one million Australians, and over 200,000 school students, visit the Memorial to pay their respects to the fallen, as well as to visit the world-class Museum.

It has been ranked by TripAdvisor as Australia's number one tourist destination and is the only Australian location listed in the group's world top 20 destinations.

The Government is determined to ensure that current and future generations of Australians, as well as international visitors, can continue to visit the Australian War Memorial at no charge.
As we enter the Centenary of Anzac this decision takes on greater meaning as more and more people plan to visit Canberra to learn about Australia's military service during the First World War.

The Bill will amend the Australian War Memorial Act 1980 to prohibit the levying of parking and entry fees at the Memorial's Campbell site.

The Australian War Memorial combines a shrine, a world-class museum, and an extensive archive.

The Memorial's purpose is to commemorate the sacrifice of those Australians who have died in war.

The Memorial's mission is to assist Australians to remember, interpret and understand the Australian experience of war and its enduring impact on Australian society.

The concept of a national memorial and museum was first conceived by Charles Bean, a war correspondent and the Official Historian of the First World War.

His words, recorded after the Battle of Pozieres in 1916, captured the importance of a national memorial:

Many a man lying out there at Pozieres or in the low scrub at Gallipoli, with his poor tired senses barely working through the fever of his brain, has thought in his last moments: "Well— well—it's over; but in Australia they will be proud of this."

At the Memorial, visitors can see and experience the Roll of Honour, the Hall of Valour, the dioramas and the Hall of Memory containing the Tomb of the Unknown Australian Soldier.

The names of more than 102,000 Australians who have given their lives in war and other conflicts are remembered on the Roll of Honour in the Cloisters that line the Commemorative Courtyard, which contains the Pool of Reflection with its Eternal Flame.

The Hall of Valour honours Australian recipients of the Victoria Cross and the George Cross.

The Government has invested over $27 million in the redevelopment of the First World War galleries at the Australian War Memorial, a key project as part of the Centenary of Anzac.

These redeveloped galleries will complement the galleries telling Australia's story of service and sacrifice in the Second World War, Korea and Vietnam, as well as peacekeeping operations and the War in Afghanistan.

This Bill will ensure that entry to, and parking at, the Australian War Memorial remains free for evermore.

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (13:46): I rise to speak on the Australian War Memorial Amendment Bill 2014. The bill amends the Australian War Memorial Act to prohibit the levying of entry or parking fees at the Australian War Memorial premises in the Australian Capital Territory.

It is very reasonable that Australians should be able to visit the home of our country's commemoration, reflection and remembrance for free. The Australian War Memorial, located in Campbell, just over Lake Burley Griffin from parliament, is world class. It is a shrine, a very high-quality museum which has an extensive archive. Its purpose is to commemorate the sacrifice of those Australians who have died in war. In 1948, Charles Bean, Australia's official World War I historian, said of the War Memorial:

Here is their spirit, in the heart of the land they loved; and here we guard the record which they themselves made.

CEW Bean played an enormous role in the creation of the Australian War Memorial. He recognised the need for a place where Australians can reflect on, remember and, possibly most importantly, learn about the contribution Australia has made to military conflict throughout the world. The Australian War Memorial states that its mission is to assist
Australians to remember, interpret and understand the Australian experience of war and its enduring impact on Australian society. It achieves this through three subprograms—the national collection, the public programs and the corporate services.

To aid this mission, the Australian War Memorial offers a number of services. These include venue hire and educational programs. The fees from these services contribute to the funding of the Australian War Memorial. This amendment does not affect those programs or the Australian memorial's ability to collect fees for services. Nor does this amendment affect the Australian War Memorial's ability to receive bequests or voluntary donations from members of the public.

The history of the Australian War Memorial, as explained by CEW Bean in his role as our World War I correspondent, saw an enormous amount of action on the Western Front. It was in this role, in the aftermath of the Battle of Pozieres in 1916, that he began to develop plans for a national museum, to commemorate the sacrifices made by his fellow Australians. As a first-hand witness to the horrors of war, he saw a need to preserve the legacy of what he saw and he had the foresight to include future events in his vision. He felt it was important for such a memorial to include an extensive military collection in order to help Australians at home understand that wartime experience. In his book The Spirit of Gallipoli he wrote:

It had always been in the mind of many Australians soldiers that records and relics of their fighting would be preserved in some institutions in Australia, and to several of us it had seemed that a museum housing these would form the most natural, interesting and inspiring memorial to those who fell.

It was in 1917, the year after Pozieres, that the Australian War Records Section was established under the command of Captain John Treloar, to manage the collection of documents and relics. Attached to this section were members of the Australian Salvage Corps, who collected from the battlefield salvage for scrap or to locate and repair as items of interest. Captain Treloar was appointed the first director of the Australian War Memorial in 1920. Today, the memorial stands in the Australian Capital Territory where it commemorates the sacrifices of Australians who have fallen in wars. The Australian War Memorial lists on its website Anzac Day and Remembrance Day as two of its most significant anniversaries and says:

Each year on Anzac Day (25 April) and Remembrance Day (11 November), the two major days of commemoration in Australia, the Memorial holds National Ceremonies on the Parade Ground. These are attended by thousands of official guests and visitors and are followed by the wreath laying at the Tomb of the Unknown Australian Soldier.

I attended the dawn service on Anzac Day this year. I was there not in any official capacity; I was there to pay my respects to those Australians who made the ultimate sacrifice. I was moved not only by the service but by the sheer number of people from all backgrounds, young and old, who had come out on a cold Canberra morning to pay their respects.

But the Australian War Memorial is not just important on those major days of commemoration; it is important all year round. The Australian War Memorial's website highlights this role. Official visitors to the memorial usually pay tribute to Australia's war dead by laying wreaths at the Tomb of the Unknown Australian Soldier or the Inauguration Stone. School groups and veterans' groups also conduct commemorative wreath-laying ceremonies in these areas. The War Memorial is a place of quiet contemplation, including its commemorative courtyard and sculpture garden. In addition, the Australian War Memorial is
also an educational and informative museum, featuring a well-resourced military collection. The website describes the aim of the museum as to provide direct evidence of the lives, actions and fates of the men and women who served and died for Australia in war and military operations. The loss of over 60,000 Australian lives in the First World War and 40,000 in the Second World War, and numerous deaths in other conflicts, might become little more than statistical information if not for the memorial's national collection which illustrates the effect of war on individuals, families and communities. Whenever I have visited the Australian War Memorial, I have been impressed by the grounds, the collections and the displays. I am lucky enough to be going there tonight for an RSL function. I will reacquaint myself with many of the exhibits and displays because they are truly a world-class testament to the staff and volunteers that care for them.

The Roll of Honour and the Commemorative Roll are stark reminders of the cost of war—a price that over 102,000 Australians have paid. Their names and their stories are written, kept and maintained at the Australian War Memorial through the dedicated and professional work of the historians that work and volunteer there. It is through their efforts that the memories of these men and women live on.

In addition to the data collections and displays we can see that, at Australian War Memorial, there is an enormous amount stored in archives. Some of this is accessible through the Treloar Technology Centre in Mitchell, but much of it is preserved in archives where researchers can access it for their investigations. The need to have this wealth of information accessible to researchers and the public ensures that we remember and learn from the lessons of history. The Australian War Memorial stands as a link to Australia's past—a link where we remember and respect the sacrifice of those who died during conflict. The scale of suffering during conflict is beyond comprehension. The Australian War Memorial is the official and public Australian recognition of that pain and the sacrifices made by their families.

Last year, prior to the 2013 election, Mr Tony Abbott said, 'The coalition will take the action necessary to preserve, protect and enhance the Australian War Memorial.' But earlier this year, in yet another broken promise, the Abbott government cut the Australian War Memorial's travelling exhibitions program. This heartless cut removes the possibility for hundreds of thousands of Australians to have access to important history about Australia's involvement in wars and the sacrifice of so many. The exhibitions program was funded by the Department of Veterans' Affairs and had been running continuously for 17 years as part of the memorial's National Collection Branch. In those 17 years it travelled to venues in every state and territory of Australia as well as to many international venues. To date, an audience of over 3.8 million visitors outside of Canberra viewed the travelling exhibitions. In the year of the Centenary of Anzac it is a disgrace that this government has cut the entire funding for this valuable program. This is wrong. These cuts must be reversed.

With the Anzac Centenary just a few months away it is more important than ever that every Australian has access to our wartime history. During the Anzac Centenary we will remember the Anzacs who served at Gallipoli and on the Western Front. This started a few months ago with the commemoration of the Cooee and other recruitment marches and the Albany Convoy Commemorative Event to remember the voyage of our first Anzacs.

In concluding, the Australian War Memorial is a cultural institution dedicated to commemorating the service and sacrifice of Australian service men and women who have
died in the wars and conflicts which Australia has participated. It is an institution of international standing and one of Australia's major tourism attractions. Right from CEW Bean's first vision, the memorial was imagined as a shrine and a museum that supports commemoration through understanding and an archive holding key war records. Throughout its evolution and development, we have remained true to this vision. For many Australians, it serves as a deeply emotional and personal link to loved ones. The exhibitions in the memorial galleries take advantage of the exceptional and diverse national collection to deliver interactive visitor experiences that are both engaging and educational. It is important that it remains free for visitors to visit our nation's home of commemoration, reflection and remembrance. Labor is fully supportive of this bill. I commend this bill to the Senate.

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (13:58): I thank those in the other place and those in the Senate today for the support for this bill. I am disappointed that Senator Conroy did not take out the politics towards the end but, nonetheless, I am grateful for the Senate's support for this bill.

Question agreed to.

Bill read a second time.

Third Reading

The PRESIDENT (13:59): As no amendments to the bill have been circulated, I will call the minister to move the third reading unless any senator requires that the bill to be considered in Committee of the Whole.

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (13:59): I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

QUESTIONS WITHOUT NOTICE

Minister for Defence

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:00): My question is to the Minister for Defence. Has the minister been counselled by the Prime Minister or the Prime Minister's Chief of Staff for saying that he would not trust ASC to build a canoe?

Senator JOHNSTON (Western Australia—Minister for Defence) (14:00): It may come as some surprise to Senator Wong, but the answer to that is an emphatic 'No.'

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:00): Mr President, I ask a supplementary question. I refer the minister to comments by Senator Fawcett in the Senate last night, following the minister's censure. In stark contrast to the minister, the senator praised ASC workers, saying that they have:

… the level of skills that you need to build submarines.

Given that the minister's colleagues are openly undermining his authority, isn't it time the minister resigned?
Government senators interjecting—

The PRESIDENT: Order on my right!

Honourable senators interjecting—

The PRESIDENT: Order on both sides!

Senator JOHNSTON (Western Australia—Minister for Defence) (14:01): Again, the answer is: 'No.'

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:01): Mr President, I ask a further supplementary question. Over the past two days, the minister's Liberal colleagues have said that he is 'wrong', his job is 'untenable', his statements were 'breathtaking' and 'the most stupid words I have ever heard from a senior minister'. Given that the minister has lost the confidence of the Senate, his parliamentary colleagues and the ASC workforce, will he now take the only honourable course of action and resign?

Honourable senators interjecting—

The PRESIDENT: Order on both sides! Order!

Senator JOHNSTON (Western Australia—Minister for Defence) (14:01): As a result of the competence and work of Senator Wong, I have far too much cleaning up to do!

Budget

Senator BERNARDI (South Australia) (14:02): My question is to the Minister for Finance and the Minister representing the Treasurer, Senator Cormann. Will the minister please advise the Senate of the most recent expert opinion on the need to repair the budget and also on the example set by any particular state?

Senator Lines: Oh—would that be Victoria?

Senator CORMANN (Western Australia—Minister for Finance) (14:02): The Labor senator there from the great state of Western Australia—

Senator Conroy interjecting—

The PRESIDENT: Senator Conroy!

Senator CORMANN: is quite right. The state that is leading by example when it comes to living within your means as a government and when it comes to building a stronger and more prosperous economy is none other than the state government in Victoria. So, Senator Lines, I am very pleased to note that even Labor senators in this chamber have realised that the Napthine Liberal-National government has been performing strongly when it comes to providing good financial management, good fiscal management, and when it comes to taking Victoria forward, strengthening the Victorian economy.

When we came into government in September last year, we inherited a budget in a mess. The Labor Party left behind $123 billion in projected deficits, $667 billion in government gross debt within a decade and rising beyond that. They forced us to pay more than $1 billion in interest payments a month, just to service the debt that Labor had accumulated in that period. We have set out to repair the budget because we want to protect living standards for Australian families. We want to build a stronger economy. We want to create better opportunities for our children and grandchildren for the future.
We are very mindful that, particularly at this time, as we are facing global economic challenges which are impacting on our revenues, it is even more important than before that we get our spending growth trajectory under control and that we get our debt growth trajectory under control. In the Mid-Year Economic and Fiscal Outlook in December last year what we set out to do was to explain the real state of the budget, using realistic budget numbers, and Labor said that we were being excessively pessimistic—that somehow the numbers were not realistic enough and we were just trying to make the numbers look bad. Well, look at this—we were actually, as it turns out, too optimistic about what Labor left behind, and none other than the Parliamentary Budget Office confirmed so yesterday.

Senator BERNARDI (South Australia) (14:04): Mr President, I ask a supplementary question.

Senator Wong interjecting—

The PRESIDENT: Order on my left! Senator Bernardi, you have the call.

Honourable senators interjecting—

The PRESIDENT: Order!

Senator BERNARDI: Should I wait for Senator Wong to finish interjecting?

The PRESIDENT: Yes, thank you. Thank you, Senator Bernardi.

Senator Conroy: So Senator Conroy's getting it wrong now?

Honourable senators interjecting—

The PRESIDENT: Order on my left and right!

Senator Conroy interjecting—

The PRESIDENT: Senator Conroy!

Senator BERNARDI: I refer to comments by Labor's shadow minister for finance on Sky News today that Labor's strategy to repair the budget involved higher taxes on superannuation which: 'Labor had put in place.' Will the minister advise the Senate whether any such higher taxes on superannuation have been legislated?

Senator CORMANN (Western Australia—Minister for Finance) (14:05): Well, I sat there this morning in my office, working through some files on how we can repair the budget mess that Labor left behind. I was having my Weeties on the side, and I nearly choked on my Weeties—

Opposition senators interjecting—

The PRESIDENT: Order on my left!

Senator CORMANN: as I sat there listening to the shadow minister for finance suggesting that they had fixed the budget by increasing taxes on superannuation, and that they actually had put those taxes in place! Well, it is true that there was a big battle inside the Labor Party, with Mr Crean against Ms Gillard and everybody at each other's throat, attacking each other about the class warfare that the Gillard government initiated. I think even Senator Carr got in on the act at the time. It is true that Mr Shorten, on the back of a coaster wrote up a bit of a brain snap on how he could go back with his hands into the pockets of people across Australia saving for their retirement. But you know what? He banked it in the budget; he never legislated it. As so often with Labor, they are all talk and no action.
Senator BERNARDI (South Australia) (14:06): Mr President, I ask a further supplementary question. I refer to comments made by the same shadow minister that Labor put in place tax measures to deal with multinationals shifting money across to tax havens. Would the minister be kind enough to advise the Senate of whether any such measures had actually been put in place?

Senator CORMANN (Western Australia—Minister for Finance) (14:06): The short answer is: 'No.' Labor was all talk and no action. They said they would do this and would do that, and they did not. You know what they said they would do? They said that they would stop giving a tax subsidy to multinational companies earning more than $20 billion a year for research and development. They said they would scrap the tax subsidy that is currently in place—they never legislated it. And now that we are trying to do the hard work for them, they are opposed to it. That is the modern Labor Party: they try to walk on both sides of the road.

Some of the measures of that report on the tax front—when we came into government we said, 'Okay, how are they going to be implemented?' Treasury officials were very embarrassed. They said, 'Minister, these measures that Labor announced and banked revenue in the budget against are unimplementable.' In the end, we had to draw a line; we had to deal with all of the Labor spiders that we inherited. We had to fix all of the problems that we found when we got in, and we are working to repair your mess. (Time expired)

Senator Kim Carr: Come on! You're shovelling money out to your mates!

The PRESIDENT: Senator Conroy.

Senator Conroy: It was him.

The PRESIDENT: No, it is your question, Senator Conroy.

Senator Conroy: I thought you were calling me to order again. Dear oh dear! I thought, 'How unfair'. But I appreciate that. Seriously, I thought you were just picking on me as usual.

Honourable senators interjecting—

The PRESIDENT: Order on both sides!

Senator Conroy: I am just so used to it.

The PRESIDENT: It rolls off the tongue very easily. Senator Conroy.

Minister for Defence

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (14:08): Mr President, my question is to the Minister for Defence. I refer the minister to an article by Dennis Shanahan in The Australian which says of the defence minister: His long-term standing is mortally damaged, he’s lost the confidence of his Cabinet colleagues and his comments have been publicly disowned by the Prime Minister.

Will the minister now walk the plank and resign?

Honourable senators interjecting—

The PRESIDENT: Order on both sides!

Senator JOHNSTON (Western Australia—Minister for Defence) (14:08): Of course not.

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (14:09): Mr President, I ask a supplementary question. I refer the minister to the editorial in the Sydney Morning Herald today, which says of his performance:
Mr Abbott must be considering not only the future of Senator Johnston but also the performances of other ministers.

It adds:

Mr Abbott eventually will reshuffle cabinet, when he tires of defending the indefensible.

Given that it is now only a matter of time before the minister is reshuffled out of the cabinet, will he do the right thing and resign? (Time expired)

Senator JOHNSTON (Western Australia—Minister for Defence) (14:09): Again, no.

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (14:09): Mr President, I ask a further supplementary question. I refer the minister to senior journalist Laura Tingle, who described him today as ‘a dead man standing’, and to Mark Kenny from Fairfax, who said:

A reshuffle when it comes will see him moved—perhaps all the way to the backbench.

Isn’t it time the minister did the Prime Minister and his colleagues a favour and resign?

Senator JOHNSTON (Western Australia—Minister for Defence) (14:10): I think I have already answered that question.

Health Care

Senator DI NATALE (Victoria) (14:10): Mr President, my question is to the Minister representing the Minister for Health, Senator Nash. Given that the Prime Minister's office told journalists last night that the GP co-payment was going to be shelved—not quite dead, buried and cremated, but shelved nonetheless—why did the health minister and the leader of the Senate put it back on life support this morning? Why the mixed messages? Is there a revolt going on within the cabinet? Is the Prime Minister safe?

Government senators: Go back to the possum question!

The PRESIDENT: Order on my right! The Assistant Minister for Health, representing the Minister for Health, Senator Nash: you can answer what parts of that question fit within your portfolio responsibility.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:11): Thank you very much, Mr President. And in doing so I can indicate, through you, to the senator that the Prime Minister has been consistent in saying that we are committed to making Medicare sustainable. We are going to continue to do that. Medicare must be sustainable.

I would say to you, Mr President, and to those opposite and also to those on the crossbenches that we have a Medicare system that was costing us $8 billion 10 years ago. It is currently costing us $19 billion. It is going to cost us $34 billion in 10 years' time. Indeed, we are providing $263 million of free services every year. That is not sustainable. People out in the Australian community can understand that that is not sustainable, and that is why we have put forward a modest reform, a modest co-payment, with a safety net for those people who need it.

Bob Hawke many years ago saw the merit. The shadow Treasurer sees the merit in a co-payment. It is about making our future, the health system's future, sustainable. I would call on those opposite to be responsible. I understand the question came from the good senator in the Greens party, but I would call on those opposite to be sensible and to support the reforms.
Those opposite have absolutely no plan for the future. They had six long years in government to prove that they had a plan for the future, and they failed. They failed dismally! We can see that it is only this side, it is only this coalition government, that is committed to a sustainable future for this nation. Those on the other side left us nothing but debt and deficit and absolutely no plan for a sustainable future. The Prime Minister has indicated our commitment to ensuring that we have a sustainable health system in the future.

Senator DI NATALE (Victoria) (14:13): Mr President, I ask a supplementary question. Given that just this morning the health minister refused to rule out using regulation to cut the Medicare rebate, if the government did cut the Medicare rebate by $5 through regulation it would have to apply to every person for every visit without limit. There just could not be any exemptions for pensioners, children or concession cardholders. So if the government is not willing to rule out this option, how is it going to protect the sickest and most vulnerable members of our community?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:14): Through you, Mr President, I am not going to answer a hypothetical question in this place. What I will rule out is inaction by this coalition government when we are looking to fix the future sustainability—

The PRESIDENT: Pause the clock. Senator Di Natale—a point of order?

Senator Di Natale: Yes, Mr President, I have a point of order. There is nothing hypothetical about the question. The health minister said this morning that he would not rule out using regulation to cut the Medicare rebate—his words, not mine.

The PRESIDENT: Thank you, Senator Di Natale. There is no point of order. There was a hypothetical suggestion in part of your question, but the latter part of your question did contain a substantive question.

Senator NASH: What I will rule out is this government doing nothing to fix the health system in the future, unlike those opposite, who did absolutely nothing in terms of having any vision whatsoever in where our health system was going to go. Those on the other side, when they were in government, thought it was absolutely fine to run up a debt with a trajectory of $667 billion. Those on the other side think it was absolutely fine to run up a debt of $1 billion. What we will not rule out is making sure we take solid, substantive action to ensure the future sustainability of this nation.

Senator DI NATALE (Victoria) (14:15): Mr President, I ask a further supplementary question. Given that leading medical researchers have urged the government not to let the proposed medical research fund become a victim of the GP co-payment debate, will the minister now work with the Greens and other crossbenchers to look at alternative ways of funding this important initiative, or will the minister continue to hold the community to ransom?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:16): Mr President, the coalition is determined to put in place a Medical Research Future Fund. The people in Australia know that. We could not have been clearer in saying how important it was to put in a Medical Research Future Fund. Indeed, let's look to see who it actually took to put in place a Medical Research Future Fund: the coalition government. We did not see that from those opposite while they were in
government. We have not seen that from the Greens as a suggestion from them at any point in time. We are the ones who are looking to put it in place, because we know how important it is. We are the ones who understand how important research is. We are the ones who understand that for every dollar we invest in medical research we get a $2.17 return.

So I would say that it is this government that is committed to doing that. It is this government that is ensuring we have a sustainable health system and the research capacity necessary, unlike those opposite, who tried to rip $400 million out of research in 2011. (Time expired)

DISTINGUISHED VISITORS

The PRESIDENT: Just before I call upon the next question I acknowledge the presence in the public gallery of former Senator Mark Furner. I am sure you miss question time, former Senator Furner!

Honourable senators: Hear, hear!

QUESTIONS WITHOUT NOTICE

Financial Services

Senator O'NEILL (New South Wales) (14:17): My question is to the acting Assistant Treasurer, Senator Cormann. The minister will recall the collapse of Trio Capital and the devastating effect that collapse had on thousands of investors. I refer to the Minister for Finance's pre-election promise in May last year, where he said in relation to the collapse of Trio, 'We do believe that there is a case for the government to look more closely as to whether there would be some justification for a level of compensation, if not for the full amount of the loss but at least a level of compensation.'

Has the minister looked at a level of compensation for the victims of the Trio collapse, as he promised he would?

Senator CORMANN (Western Australia—Minister for Finance) (14:18): I thank the senator for that question. Yes, I have and, yes, considerations within government are continuing. I have had particular interaction with my good friend and colleague Senator Fierravanti-Wells and also with the member for Bradfield, Mr Fletcher, in relation to these matters. They have taken a keen interest in this.

Obviously, there are a number of stakeholders who have made representations over the last few months as well. At this point, those considerations are continuing within government.

Senator O'NEILL (New South Wales) (14:18): Mr President, I ask a supplementary question. Can the minister confirm that, despite his indications of assistance to the victims of the Trio collapse prior to the election, he has had no meetings with the ARP Growth Fund unit holders, who were victims of the collapse? Is it true that the minister's office has refused to meet them, despite repeated requests from the victims and other members of parliament?

Senator CORMANN (Western Australia—Minister for Finance) (14:19): I did not actually promise before the last election to provide compensation. What I promised was that the government would consider various issues. These are very complex matters and there are matters of precedent that are involved here as well.

There have actually also been conversations in relation to this with some very senior people on the Labor side. You might want to reflect on who the Minister for Financial
Services was at the time of the Trio collapse and in the period subsequent to that. You might just want to be very careful about how you decide to progress this if you are actually interested in achieving a potential outcome in relation to these matters.

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

The PRESIDENT: Senator Moore, I think the minister has concluded his answer.

Senator Moore: Mr President, I was on my feet before the minister sat down. I was going to point to the direct relevance to the specific question. I will put that on notice: the particular question was meeting with the ARP Growth Fund. That was not referred to in that answer.

The PRESIDENT: Thank you, Senator Moore. It is really past the point for the point of order; but in the event, there were two parts to the question. The minister was answering the first part.

Senator O'NEILL (New South Wales) (14:20): Mr President, I ask a further supplementary question. The minister indicating that he did not promise a degree of compensation will be quite a deal of new information for the ARP Growth Fund unit holders. Why has the minister in his interactions, and his office in its interactions, with ARP Growth Fund unit holders created the impression of false hope that there will be compensation?

Senator CORMANN (Western Australia—Minister for Finance) (14:20): I completely reject the premise of that question. I did not create an impression of false hope. I promised that the government would consider various issues, bearing in mind that Minister Shorten, when he considered these issues, rejected outright having any look at this at all. We are currently actually working our way through some of those issues.

Queensland: Mining

Senator LAZARUS (Queensland—Leader of the Palmer United Party in the Senate) (14:21): My question is to the Minister for Infrastructure and Regional Development, represented by Senator David Johnston. Large-scale projects undertaken in Australia in regional and rural areas should provide genuine opportunities which support and grow local communities. Specifically, they should support local suppliers and local businesses, and provide employment opportunities for local people. Despite this, BHP Billiton Mitsubishi Alliance has established two mining operations in Central Queensland—the Caval Ridge and Daunia mines. With the support of the Abbott government and the Queensland Newman government, BHP is sourcing workers only on a 100 per cent fly-in fly-out basis. Senator Johnson: why are you allowing BHP to hurt local Queensland communities by allowing 100 per cent fly-in fly-out arrangements for these mine sites?

Senator JOHNSTON (Western Australia—Minister for Defence) (14:22): Senator Lazarus, I thank you for that question—because it is a question that, in my home state of Western Australia, we deal with every day. One of the principal reasons for fly-in fly-out is the taxation regime around the deductibility of infrastructure for housing and for towns. I share your concern, you might be surprised to know. I spent my formative years in the goldmining town of Kalgoorlie and adjacent to that were Kambalda West and Kambalda East, which were developed by Western Mining to exploit the largest nickel deposit in the world. Those two towns were built from scratch by Western Mining at a great and significant cost to the company, because the regime at that time allowed them to deduct those expenses.
We have changed the regime so that the fly-in fly-out expenses—all of the costs of putting labour on the site—are deductible. Until we can convince central agencies—until we can put a handle on the cost of deducting those infrastructure expenses of capital, housing, hospitals and schools in remote regions—the mining companies really, to be profitable, have no alternative but to go forward with the fly-in fly-out methodology. This is a huge challenge for Australia because, in order to develop regional Australia, of course we want to see towns in remote parts of our states and our country as a whole. But, in order to be competitive, our miners must take advantage of the taxation regimes as they stand. We want them to be profitable, because they pay royalties to the states and they pay taxes to the Commonwealth.

Senator LAZARUS (Queensland—Leader of the Palmer United Party in the Senate) (14:24): Mr President, I ask a supplementary question. As already highlighted by my fellow Palmer United Party colleague, Senator Wang, during a previous question time session, there is growing evidence that fly-in fly-out working arrangements cause significant mental health and other issues including heightened stress, fatigue and family breakdowns. Why is your government not actively doing anything to address this and to stop the unnecessary suffering and suicides associated with fly-in fly-out arrangements?

Senator JOHNSTON (Western Australia—Minister for Defence) (14:24): Senator Lazarus, I am not sure about the details of what we are doing but I can tell you that fly-in fly-out and the provision of fundamentally basic health services, police services and infrastructure for energy is the province of the states. We seek to provide assistance to the states to provide a strong underpinning of resourcing—for health particularly. In Western Australia, I believe, the state government spends a lot of money on mental health services for fly-in fly-out, because in my home town of Perth this is a significant issue. I am not sure, and I am not convinced, that the Commonwealth—given the size of Tasmania against the size of Western Australia—can equitably and equally, across all of the jurisdictions, have a formula that answers the problem that you identify. I think it is a matter of us continuing to provide basic resourcing so that state health and mental health services can provide services. (Time expired)

Senator LAZARUS (Queensland—Leader of the Palmer United Party in the Senate) (14:25): Mr President, I ask a further supplementary question. Fly-in fly-out working arrangements do nothing to support and grow regional communities; in fact, they decimate communities by eliminating opportunities for jobs, business and economic growth. Is your government aware of the economic and social damage caused to regional communities, including those in my home state of Queensland, by your endorsement and support of mining projects with 100 per cent fly-in fly-out arrangements?

Senator JOHNSTON (Western Australia—Minister for Defence) (14:26): Senator, as a person who has come from the mining industry, can I tell you that the cashflow documents that justify the borrowings that fund the development of the mine are based upon prices that fluctuate very rapidly in a very volatile market, over a short space of time. So fly-in fly-out gives the owner of the mineral deposit the right to access and extract those minerals in as short a time as possible—to seize the price of the day, which on a particular day is determined as profitable. If you want to build towns and get all the approvals and do all the things you need to do, the bird may well have flown. We are a mining country. We must mine the minerals and provide minerals to the world—be it coal, be it oil and gas, be it minerals. We
must do it expeditiously. We must seize the price of the moment because those prices will not stick around for very long.

DISTINGUISHED VISITORS

The PRESIDENT (14:27): Thank you, Minister. Before I call the next question, I also acknowledge in the gallery today former Senator Sandy Macdonald. Good to see you.

Honourable senators: Hear, hear!

QUESTIONS WITHOUT NOTICE

Workplace Relations

Senator McKENZIE (Victoria) (14:27): My question is to the Minister for Employment, Senator Abetz. Can the minister update the Senate on the current state of workplace relations in Victoria, and are there any threats to harmonious and productive workplaces in Victoria?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:27): Victorian workplaces, especially in the construction sector, have benefited from the introduction of the Victorian construction code. The industrial anarchy that characterised Victorian projects such as the notorious Wonthaggi plant has been removed. However, there is a very significant threat to productive and harmonious workplaces in Victoria. It is the CFMEU-inspired policy of Daniel Andrews to abolish Victoria's construction code. This is the code that upholds the rule of law and saves Victorian taxpayers from the billions of dollars of delays and blow-outs that plagued major projects under the last Labor government. The code even includes new drug and alcohol testing requirements to protect building workers and improve workplace safety, yet Labor's policy is to abolish that too. I wonder why. As former judge, Terence Cole, said this week:

Only a political party in thrall to the building unions would contemplate the state's building code. Labor's policy is also to oppose the Commonwealth's building code, despite funding for major infrastructure projects being conditional on the code being applied—no code, no funding. So Labor threatens Victoria with a loss of billions of dollars for vital infrastructure projects. This is the cost to Victorians of Daniel Andrews' unseemly association with John Setka and the CFMEU. Daniel Andrews has not only outsourced his policy to the CFMEU; he has now even outsourced his costings to the CFMEU's accountants—and if he is elected on Saturday, he will outsource the rest of government policy to them, as well. (Time expired)

Senator McKENZIE (Victoria) (14:29): Mr President, I ask a supplementary question. Can the minister advise the Senate of any other workplace relations policy proposals that may adversely affect the Victorian community?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:29): Another Labor policy is to hand over the management of the volunteer based Country Fire Fire Authority to the firefighters union. This power is very serious. It relates to decisions about what are literally life-and-death matters. These powers should reside with the chief fire officer. What will be the impact of this policy? As the board of Volunteer Fire Brigades Victoria said in an open letter, which I table, Labor's policy would have:

… disastrous consequences for CFA.
It goes on to say:

… Labor's policy will reduce CFA's volunteer firefighting force by thousands of volunteers, pushing volunteers out of CFA stations and hundreds of CFA trucks off the road when we need them for major fires such as Black Saturday.

This represents a clear risk to the health and safety of Victorians with the advent of a Labor government. (Time expired)

Senator McKENZIE (Victoria) (14:31): Mr President, I ask a further supplementary question. Can the minister advise the Senate of any threats to public health and safety in Victoria arising from any new workplace relations policies in that state?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:31): Labor policy to appease union bosses also involves handing control of Ambulance Victoria to the paramedics union. Ambulance Victoria has made a very generous wage offer to the union, including an immediate pay increase of six per cent. But the union has rejected it. What is Daniel Andrews's response? Sack the entire board of Ambulance Victoria and replace it with union stooges. The list of things that Daniel Andrews would sacrifice simply to please Victorian unions is staggering. He would sacrifice health and safety on building sites and billions of dollars in Commonwealth funds for vital infrastructure projects. He would even sacrifice independent management of the state's emergency services, which will put lives at risk. These are just the deals he has been game to announce before the election. One wonders what secret deals he has made. The health and welfare of Victorians will come last under a Labor government. (Time expired)

Great Barrier Reef

Senator WATERS (Queensland) (14:32): My question is to the minister representing the Minister for Foreign Affairs, Senator Brandis. I refer to US President Obama's recent comments on the Great Barrier Reef and foreign minister Julie Bishop's briefing to the White House in response that:

… we are demonstrating word's best practice—
regarding the reef, and that President Obama should have:

… the facts and the detail of what we are doing …

Is Minister Bishop now going to update President Obama and the World Heritage Committee with the facts and details of what Premier Campbell Newman is this week doing to Queensland's water laws, which the Great Barrier Reef Marine Park Authority has said may lead to unacceptable impacts on reef ecosystems?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:33): Thank you, Senator Waters. I am familiar with Ms Bishop's remarks and I agree with them. We know that the Great Barrier Reef is under pressure. We have made and continue to make significant progress in addressing those pressures. But the conclusion that the Great Barrier Reef is in danger is a technical assessment to be made by UNESCO's World Heritage Committee. The committee will make its decision on this in June next year in Bonn. We are demonstrating world's best practice in working with the World Heritage Committee to ensure that the Great Barrier Reef is preserved for generations to come.
Senator Milne interjecting—

Senator BRANDIS: Senator Milne, you may not want to see the Australian government achieve its objectives in protecting the Great Barrier Reef.

The PRESIDENT: Through the chair!

Senator BRANDIS: I know you are a senator who only likes bad news, but I have good news for you. The Australian and the Queensland governments are jointly investing around $180 million a year to preserve and conserve the Great Barrier Reef.

The PRESIDENT: Pause the clock!

Senator Waters: I rise on a point of order regarding relevance. I appreciate the background, but I am actually interested in whether the minister will update her advice to the US President about the recent changes to Queensland's water laws.

The PRESIDENT: The minister has 48 seconds in which to answer the question. I remind him of the question.

Senator BRANDIS: I am addressing the very issue, Senator Waters, about which you asked me. We have prepared a draft Reef 2050 long-term sustainability plan that maps out the pathway for the next 35 years. This plan has been developed with relevant stakeholders, including WWF and the Australian Academy of Science. The government is working with stakeholders, including UNESCO's World Heritage Committee and the technical adviser to make sure we get this long-term plan right. The Australian government and the Queensland government are determined to preserve the Great Barrier Reef for the benefit of future generations. We are taking the steps necessary to do so and, as I said, we are cooperating with UNESCO in that regard. (Time expired)

Senator WATERS (Queensland) (14:35): Mr President, I ask a supplementary question. Those changes to Queensland's water laws this week remove ecologically sustainable development from the act's objects, which breaches the commitment made to the World Heritage Committee, and they give mining companies statutory rights to take billions of litres of water from reef catchments without a water licence. How is this world's best practice?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:36): I can tell you how that is world's best practice. The Queensland Water Reform and Other Legislation Amendment Bill, which forms part of a whole-of-water business transformation, will amend the Queensland Water Act to provide an improved framework for the expansion of water markets across Queensland. The Great Barrier Reef Marine Park Authority's submission to the Queensland Agriculture, Resources and Environment Committee regarding the bill appropriately highlighted the need for safeguards to protect the water quality of the Great Barrier Reef. Water management reform provides an opportunity to deliver a net benefit to reef water quality and ecosystem health. It is critical that any changes to the water management of the reef and the reef catchment include safeguards to protect the reef, and the Queensland legislation does. To ensure the health of the Great Barrier Reef World Heritage Area, the Australian government expects that these reforms will consider ecosystem connectivity. (Time expired)
Senator WATERS (Queensland) (14:37): Mr President, I ask a further supplementary question. By the way, the bill is no longer a bill; it passed yesterday in the Queensland parliament.

The PRESIDENT: To the question, Senator Waters.

Senator WATERS: It was reported by Fairfax on 21 November that Minister Bishop said the Great Barrier Reef 'is not under threat from climate change'. The government's own Great Barrier Reef Outlook Reports of 2009 and 2014 unequivocally state: Climate change remains the most serious threat to the Great Barrier Reef. Does Minister Bishop reject the science from the Great Barrier Reef Marine Park Authority or will she now correct her advice to President Obama? (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) (14:37): Unless there has been an amendment to the Queensland Constitution of which I am unfamiliar, a bill remains a bill until it receives royal assent. We consider that, on any technical appraisal of the merits of our approach, the Great Barrier Reef does not warrant being listed on the List of World Heritage in Danger. We have made major improvements on all the issues where the World Heritage Committee has called for progress, including limits to dredging—

The PRESIDENT: Pause the clock. Senator Waters.

Senator Waters: Mr President, I rise on a point of order. I appreciate that Senator Brandis is only the minister representing, but I really would like an answer to the question. Will Minister Bishop actually read the reports from the GBRMPA or will she now correct her advice to President Obama?

The PRESIDENT: Thank you, Senator Waters. The minister is answering the question. The minister has 28 seconds in which to respond.

Senator BRANDIS: Senator Waters, I have already told you in response to your primary question that I am familiar with what Ms Bishop had to say and I entirely agree with it. As I was telling you, Senator Waters, the limits to dredging, dredge disposal and improvements in water quality, including an announcement by Minister Hunt to bring into a law a ban on capital dredge material being dumped in the Great Barrier Reef Marine Park, are some of the measures that we have undertaken. (Time expired)

Income Tax

Senator DAY (South Australia) (14:39): My question is to the Minister for Finance, Senator Cormann. Left unchecked, bracket creep will soon result in 1.8 million full-time workers being taxed at the second-highest tax rate of 37c in the dollar. Over the next decade, single-income families will pay 60 per cent more in income tax. The minister has said numerous times that the government will provide tax cuts to offset the impact of bracket creep. Without tax cuts, NATSEM—that is, the National Centre for Social and Economic Modelling—estimates that the government will receive an additional $25 billion in tax over the forward estimates due to bracket creep. The National Commission of Audit report assumed bracket creep tax revenue would be returned through tax cuts. What tax cuts will there be for Australian families and when will they be announced?
Senator CORMANN (Western Australia—Minister for Finance) (14:40): I thank Senator Day for that question. The government is committed to lower income taxes to adjust for bracket creep. I would refer Senator Day to the budget papers, where we actually disclosed that very transparently—in particular, Budget Paper No. 1 at 1-5, 3-6 and chart 1 at 7-6. The point that I make is that we are very mindful that bracket creep, left unchecked, will push more and more middle-income families into the higher tax bracket. That is bad for economic growth, it is bad for jobs and it is bad for living standards for middle-income families. That is another reason why we need to repair the budget mess that we have inherited. Under Labor, we were on a trajectory to $667 billion in debt in 2023-24 and rising. That was based on an assumption in their last budget that there would be no adjustment for bracket creep throughout that whole period. If there had been adjustment for bracket creep through that period, that debt figure would be $748 billion and rising.

Senator Day, I would refer you to the high-level statement in the budget overview:

With the changes in this Budget debt would be $389 billion in a decade; $277 billion lower than the projection of $667 billion at MYEFO, and assuming future tax relief.

There is more detail on that in the budget. The important point is that for the government to be able to deliver on this, for the government to be able to provide tax relief for middle-income families, we need to be able to get the structural savings reforms through the parliament. We cannot deliver the income tax relief for middle-income families envisaged in the budget without the Senate passing the savings measures that are currently being held up because Labor is being so irresponsible. (Time expired)

Senator DAY (South Australia) (14:42): Mr President, I ask a supplementary question. The US, the UK and Canada all link income tax rates to inflation. Australian pensions and other payments are also linked to inflation. When will the government apply permanent indexation of income tax brackets so that we are not relying on ad hoc adjustments?

Senator CORMANN (Western Australia—Minister for Finance) (14:43): Senator Day is quite right that there is an expectation that a lot government payments are indexed to inflation or above that. That is one of the reasons why we have put forward the measure for regular indexation of the fuel excise. At the moment, the value of the fuel excise is eroded through inflation. Of course, the Greens now are the champions of regular reductions in the real value of the excise on fuel and they are the champions of big oil! I hear what you are saying, Senator Day. It is a suggestion I would encourage you to put forward to the tax white paper review process so it can be considered along with other reform proposals and priorities. The important point here, though, is that if we want to provide income tax relief, and if we want to provide for a more competitive tax system where people across Australia have got a better opportunity to get ahead, we need to do that from a position of fiscal strength and we need to do that from a position where we have our spending under control.

Senator DAY (South Australia) (14:44): Mr President, I ask a further supplementary question. On 30 October the Canadian Prime Minister, Stephen Harper, announced income splitting to allow spouses to transfer up to $50,000 of income to each other, yielding up to $2,000 per annum in family tax credits. Australian experts have also indicated that workforce participation, particularly for women, will fall if bracket creep is not addressed. Given bracket creep's negative impact on families, will the government implement income splitting for families? (Time expired)
Senator CORMANN (Western Australia—Minister for Finance) (14:44): Firstly, I congratulate Senator Day for taking such a positive and constructive approach to building a stronger, more prosperous economy. This government is always open to good ideas. I would agree with Senator Day that it is very true to say that one of the very serious structural economic challenges that we as a nation are facing is falling workforce participation rates on the back of an ageing population. That is of course why we have measures in the budget to ensure that young people, who are healthy and well and who are able to work, earn or learn. That is why we have measures in the budget to ensure that Australians are working longer. That is why we have measures in the budget to lift workforce participation by women.

I hear the suggestion that Senator Day is making. Over the next few years we will continue to build on our reform agenda, as we are getting some of our priorities—(Time expired)

Broadband

Senator McKENZIE (Victoria) (14:45): My question is to the Assistant Minister for Social Services, Senator Fifield, representing the Minister for Communications. Can the minister update the Senate on the progress of the NBN in my home state of Victoria?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (14:46): Can I acknowledge Senator McKenzie’s absolute ceaselessness in representing the people of Victoria. I can inform the Senate that the coalition is making significant progress in rolling out the NBN in Victoria. As of the federal election, only 35,179 premises in Victoria had been passed by fibre in brownfield areas. When it came to the NBN, Labor clearly neglected Victoria.

We have, Mr President, you will be pleased to know, now passed 83,456 premises with fibre in Victoria. The 83,456 premises now passed with fibre in Victoria is more than a doubling of the reach of the fibre network. We also have 36,987 premises passed with fixed wireless. Last week NBN Co. made roll-out announcements for its fibre-to-the-premises network in additional areas, covering 12,400 premises in Victoria, including Keysborough, Frankston South, Mount Helen and Brookfield. We have also expanded the rollout of the fixed wireless network in areas such as East Gippsland, Mildura, Swan Hill and Shepparton. I am very proud, as a Victorian senator, to report that the coalition is getting on with the job of rolling out the NBN in Victoria. I think all colleagues on this side know that, as communications minister, Senator Conroy was asleep on the job and Senator Conroy very kindly gave us a demonstration of that earlier today.

Senator McKENZIE (Victoria) (14:48): Mr President, I ask a supplementary question. Can the minister also update the Senate on what the government is doing to improve mobile phone coverage across Victoria?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (14:48): One of the most consistent complaints from people in rural Victoria is that their mobile coverage, their mobile reception is poor to nonexistent. I am very pleased to let you know that the coalition has made a $100 million commitment to remediating black spots. We do recognise, however, that Australia is a vast continent and this money will not fix every black spot. Labor were consistent when it came to funding for mobile black spots. They consistently spent nothing—not a single dollar in six years of government! Senator Conroy saw the future and it was fixed line. There was just one
problem. Those pesky business operators and farmers in rural and regional areas would not stop using mobile devices. We expect to leverage an additional $100 million from the private sector, which we expect will result in 250—(Time expired)

Senator McKENZIE (Victoria) (14:49): Mr President, I ask a further supplementary question. Will the minister advise the Senate how the government is working cooperatively with other levels of government in Victoria to deliver real telecommunication outcomes for Victoria, particularly in regional areas?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (14:49): As I was saying, we expect to leverage an additional $100 million from the private sector and to see 250 to 300 new towers being built. But, as responsible economic managers, we are doing everything we can to leverage every dollar investment from other governments, as well as from the private sector, with our funding. It is a great measure of the success of the program and the vision of Premier Napthine. He has committed an additional $40 million to ensure that we are able to extend mobile coverage in Victoria even further.

I remind the Senate again that, in six years of federal Labor, not a dollar was spent to deliver services to areas of Victoria that do not have adequate access to mobile services. It takes a coalition government in Canberra and a coalition government in Spring Street to see that rural and regional Victoria get the deal they deserve.

Minister for Defence

Senator McEWEN (South Australia—Opposition Whip in the Senate) (14:50): My question is to the Minister for Defence, Senator Johnston. I refer to a media release of the Small Business Association of Australia, issued in response to the defence minister's outrageous slur against ASC workers. The association's CEO, Anne Nalder, states:

We have proven that we can match it with the best in the world, and for the senator to make these comments in such a confronting way is a poor signal to the rest of the world that our elected officials show no faith in our proven capabilities.

Minister, is the Small Business Association of Australia correct?

Senator JOHNSTON (Western Australia—Minister for Defence) (14:51): We are recovering the loss of 5,000 jobs in the defence industry sector because of the inactivity of the previous Labor government. We have set defence spending on a trajectory of two per cent of GDP. The fact is that we have undertaken in just this year so many programs that the defence industry, which I see on a regular basis—indeed, in the last fortnight I have met with three large- to medium-size companies as to understanding how they are going in fulfilling Defence contracts—tell me without fail that the movement in terms of investment by Defence and particularly the DMO in bringing projects forwards is at last welcomed. The fact is that the Labor Party simply looked at small to medium enterprises and said: 'Too bad. We do not care about you.' What this government is doing is rebuilding the portfolio such that Australia has indigenous capability, particularly in small to medium enterprises. And those 5,000 jobs are being recovered on a daily basis.

Senator McEWEN (South Australia—Opposition Whip in the Senate) (14:53): Mr President, I ask a supplementary question. Minister, I refer to Professionals Australia, which
represents private and public sector defence engineers and scientists, and comments by its
director, David Smith:
This is a Minister clearly out of his depth. In the interests of our national security and the future of
thousands of jobs across our economy, the Prime Minister must intervene and find a better candidate.

Is Professionals Australia correct?

Senator JOHNSTON (Western Australia—Minister for Defence) (14:53): No.

Senator McEWEN (South Australia—Opposition Whip in the Senate) (14:53): Mr President, I ask a further supplementary question. Minister, when the Prime Minister, the Small Business Association of Australia and the defence professional industry have all lost confidence in you, isn't it time to take the only honourable course of action and resign?

Senator JOHNSTON (Western Australia—Minister for Defence) (14:54): I think I have already answered that question several times today. The answer is clearly no.

Higher Education

Senator SESELJA (Australian Capital Territory) (14:54): My question is to the Minister for Human Services, Senator Payne, representing the Minister for Education. Given the many benefits to students from the government's higher education reforms, can the minister advise the Senate of why students should reject the scare campaign against these reforms?

Senator PAYNE (New South Wales—Minister for Human Services) (14:55): I thank Senator Seselja for the question. He is absolutely right. There are enormous benefits for students in these higher education reforms. For a start, they will ensure access to the best higher education possible in Australia. They will have massive scholarship support. There will be Commonwealth support for all Australian undergraduates, meaning lower fees for many and better pathways into higher education.

Senator Kim Carr: $5.8 billion worth of cuts!

The PRESIDENT: Senator Carr!

Senator PAYNE: So, students should reject the scare campaign, because it just is not true. In fact, just today Dr Geoff Sharrock of the LH Martin Institute at the University of Melbourne has published an article headed 'Labor's '$100,000 degree' projections are misleading'. And he proves why. He says:
The problem is that the ALP’s “debt sentence” case studies are misleading.
Even the shadow Assistant Treasurer, Dr Andrew Leigh, gives the lie to the scare campaign on fees when he says that there is no reason to think that fee deregulation will adversely affect poorer students. He knows that, because under HECS no student needs to pay a cent up-front, and no-one needs to repay anything—

Senator Kim Carr: Now they've got a lifetime to pay it off!

The PRESIDENT: Senator Carr!

Senator PAYNE: until they are earning over $50,000. And universities have made it clear that there will not be the exorbitant fees claimed by the scare campaigners. In fact, the so-called modelling that the scare campaign uses is typically pure invention. What about the NTEU? What they do is take a figure and then add a mystery 25 per cent surcharge, and then they double it. Why don't you just pluck it from mid-air? It would be just as credible. But
 fortunately students overwhelmingly realise that undertaking higher education is the best investment in their future and in themselves that they will ever make.

Senator SESELJA (Australian Capital Territory) (14:57): Mr President, I ask a supplementary question. Can the minister inform the Senate of the views of higher education leavers about the scare campaign against these reforms?

Senator Conroy interjecting—

Senator PAYNE (New South Wales—Minister for Human Services) (14:57): I note that Senator Conroy refers to higher education leavers as 'rent seekers', which is interesting. So, nobody over there will be at Universities Australia's reception next week, will you? No! You are not hypocrites!

Senator Conroy interjecting—

The PRESIDENT: Senator Conroy!

Senator PAYNE: All of the university groupings in Australia have made it clear that there will not be exorbitant fee increases. Let us start with the Australian Technology Network, and Vicki Thomson, who says:

Don't be fooled by $100,000 degrees …

…the university sector is not looking to introduce standard $100,000 degrees and deregulation won’t deliver them.

I repeat: there is nothing to fear from deregulated fees for undergraduate degrees.

Senator Bilyk interjecting—

The PRESIDENT: Senator Bilyk!

Senator PAYNE: Universities are not stupid. They know that if they set their prices too high they will end up with empty lecture theatres. In fact, Open Universities Australia and COPHE have both said that there will be significant fee reductions. But don’t let the truth get in the way of a good story for those opposite. The Regional University Network says— (Time expired)

Senator Conroy interjecting—

The PRESIDENT: Order! Senator Conroy!

Senator SESELJA (Australian Capital Territory) (14:58): Mr President, I ask a further supplementary question. Can the minister further advise the Senate of how the government’s reforms will ensure that higher education is affordable and accessible for students?

Senator Wong interjecting—

The PRESIDENT: Senator Wong!

Senator PAYNE (New South Wales—Minister for Human Services) (14:58): I do want to complete the quote from the Regional University Network, because it is very important—about accessibility and affordability for students, which Senator Seselja has just asked about:

… RUN considers that the only way the sector can maintain quality and remain internationally competitive is through the deregulation of student fees.

That is a quote from the Regional University Networks. But in terms of affordability and accessibility, and particularly for disadvantaged students, we know that under HECS no
student needs to pay anything up-front and does not need to repay until they are earning $50,000.

*Opposition senators interjecting—*

**Senator PAYNE:** They interject about student debt. And, as I have made clear in the chamber previously and as Minister Pyne has said repeatedly, the government is open to considering alternative approaches to the interest rate. We welcome constructive suggestions—

**Senator Wong interjecting—**

**The PRESIDENT:** Senator Wong!

**Senator PAYNE:** but we will not hold our breath for any from those opposite, will we? We might look elsewhere around the chamber to people who are prepared to be constructive in relation to this matter. *(Time expired)*

**Budget**

**Senator CAROL BROWN** (Tasmania) (15:00): My question is to the Minister representing the Minister for Health, Senator Nash. Has the government shelved its $7 GP tax?

**Senator NASH** (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (15:00): Perhaps the senator was not listening to the answer I gave a little earlier in the chamber, but I am happy to again traverse the responses I gave to a very similar question to one of the senators earlier. I did indeed indicate earlier in the chamber that the Prime Minister and the government are absolutely committed to long-term, sustainable health in this nation. He has been absolutely committed to that. It is interesting that those on the other side ask a question relating to the—

**The PRESIDENT:** Pause the clock.

**Senator Moore:** Mr President, I rise on a point of order on direct relevance. There was only one part to this question and it was about the $7 GP tax.

**The PRESIDENT:** Order! You are correct, Senator Moore: there was only one part to the question. The minister has one minute and 26 seconds left to answer the question, and I remind the minister of the question.

**Senator NASH:** And we have not changed our position on our election commitments. As I was saying, it takes the coalition government to understand what is necessary when it comes to delivering a health system that is sustainable into the future. Indeed, those on the other side simply do not care about a sustainable system into the future.

**Senator Wong:** Mr President, I rise on a point of order. There was a single question: has the government shelved its $7 GP tax? That is the only question. I ask you to return the minister to the question.

**Senator Abetz:** On the point of order, everybody knows that, in relation to the $7 co-payment, it is all about the sustainability of Medicare. That was the basis on which it was introduced and therefore sustainability in relation to the co-payment is absolutely and directly relevant.
The PRESIDENT: On the point of order, Senator Wong and others, I did hear Senator Nash say that it is still the government's commitment.

Senator Conroy: Election commitment.

Honourable senators interjecting—

The PRESIDENT: I am not disputing that the word 'election' may have been used. It is difficult to hear sometimes, especially from that end of the chamber with noise at this end of the chamber. I will remind the minister again of the question. She has one minute and three seconds left to answer the question.

Senator NASH: We are committed to a sustainable health system. The reason we have brought forward the co-payment is because we believe that will contribute to ensuring the health system is sustainable into the future. Perhaps the Leader of the Opposition would be better focused on the sustainability of the future of the nation. When we look at her failure as the former finance minister, it is no surprise that those opposite simply have no vision whatsoever for the future sustainability of the health system in this nation.

Senator CAROL BROWN (Tasmania) (15:03): Mr President, I ask a supplementary question. I ask the minister again: has the government shelved its $7 GP tax—yes or no?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (15:04): No, the Prime Minister has been absolutely committed to putting the policies in place that we need to make the health system sustainable in the future. I do not know how many times we have to repeat it on this side of the chamber that we will be taking the steps to ensure we have that sustainability. Those on the other side might not care about the future sustainability of this nation, but we do. Labor has absolutely given up on the long-term national interest of this nation. They are prepared to play short-term politics and not focus on the long-term sustainability of this nation. They had six long years, as I said before, to prove to the Australian people that they had some sort of plan for the future, but there was nothing. We were elected to fix the debt and deficit mess and elected to fix the future of this nation, and that is what the government is going to do.

Senator CAROL BROWN (Tasmania) (15:05): Mr President, I ask a further supplementary question. Will the minister rule out introducing a GP tax by regulation?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (15:05): I am not ruling anything in or out except the fact that this government is the only option that the Australian people have for a good government that is going to deliver a sustainable health system into the future, and they know it. Eight billion dollars 10 years ago on the MBS; $19 billion today; $34 billion it is going to cost the nation in 10 years time. It is not sustainable. The coalition government understands that. The Australian people understand that. The only people, in fact, who do not understand that are those sitting opposite—the Labor Party. They had every opportunity in government to put some sort of plan to the Australian people about how they would make the health system sustainable and they failed—absolutely nothing from the previous Labor government. The Australian people know it and that is why they elected the coalition government.

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

Asylum Seekers

Order for the Production of Documents

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (15:07): I table a document in response to an order for the production of documents referencing notice of motion 510 passed by the Senate on Monday, standing in the name of Senator Carr.

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Answers to Questions

Senator GALLACHER (South Australia) (15:07): I move:

That the Senate take note of the answers given by ministers to questions without notice asked by Opposition senators today.

Senator Abetz: Off you go!

Senator GALLACHER: Thank you, Leader of the Government. I will take that invitation. Yesterday, between the 'rhetorical flourish' and the deadpan non-committal answers given by the Minister for Defence, Senator Johnston, there was a great contribution from Senator Faulkner. Without any malice—I got the sense that he did not take any great enjoyment out of it—he analytically, dispassionately and systematically demolished all of the arguments that the Minister for Defence put up in defence of his position.

But I want to take a slightly different tack. The Opposition Whip, Senator McEwen, put it very succinctly today when she said there are lots of groups in the community that rely on certainty and confidence in our economy. One of those groups is the very valuable and highly skilled workforce at the Australian Submarine Corporation, and another, sitting alongside it, is the small business community that relies on those people having confidence to make a decision to buy a car, a house, some insurance, a holiday and all the normal things that workers in the economy do. There are a number of very large companies and a number of quite disparate sectors who look at the manufacturing base, which is collected in South Australia around defence; and see the potential from possibly the greatest investment that this nation will make in defence procurement; and make long, careful, deliberate decisions in respect of that. Those companies have had that confidence blown away by a completely callous statement that the ASC 'could not be trusted to build a canoe'.

This is so serious for the state of South Australia. We had the decisions in the automotive industry. The next largest manufacturing sector is the defence sector. The Minister for Defence stood in the people's Senate and said, 'I wouldn't trust them to build a canoe'. He did not suffer any penalty for that despite the fact that there are workers going home to their families and considering whether they can move to a bigger house, buy a new car or take a holiday. The uncertainty that was expressed in this chamber the other day is widely held, deeply felt and repugnant to many South Australians. We are not just talking about Labor or Liberal here; probably 90 per cent of South Australian electors find the statement of the minister completely repugnant. It impugns the reputation of the ASC workers. It impugns the reputation of South Australia as a whole. It is completely unacceptable to simply say, 'I had a rhetorical flourish.' It is completely unacceptable. Senator Faulkner said that if a reasonable
person could find a predisposition to bias in the defence procurement process then that comment was totally out of order. No penalty has been paid. The Prime Minister has come out and tried to salvage things a bit. All of the South Australian members of parliament that I have anything to do with have tried to salvage things a bit. There will be an adjudication on this—and it may well come on 6 December at the by-election in South Australia.

Senator Ian Macdonald interjecting—

Senator GALLACHER: Senator Macdonald is yawning from across the chamber; it will be very interesting to see whether voters and electors in South Australia go to sleep like Senator Macdonald or actually stand up and make a decision based on the treatment of their state by a very callous minister who in my view has gone beyond the pale in castigating, denigrating and impugning not only South Australian submarine workers but South Australia as a whole. This is a widely-held and deeply-felt issue—and we will get an adjudication. Senator Macdonald will be able to read the paper, the same as I do. After the Victorian election, there will be a South Australian election and people will make a decision based on the character of this government. This government will basically have an adjudication on what it has done and said about South Australia in the manufacturing sector in particular. It is an absolute travesty that this minister has not fallen on his sword and taken responsibility for denigrating hardworking people. (Time expired)

Senator BACK (Western Australia) (15:12): Haven't we seen a contrast today and yesterday in this place between the highly competent, measured, focused and hardworking Minister for Defence, Senator Johnston, and those shrieking disgraceful attacks that have been visited upon him by Senator Wong and Senator Conroy! What a contrast it has been. Why would people make such attacks? We know that the best form of defence is attack. What is the best way of covering your own failure? Attack your successor and deflect attention from yourself. Haven't these two exhibited both of those traits of trying to deflect attention from themselves! In the time available to me today, I am going to refocus attention on them.

It is interesting that Senator Gallacher speaks about the biggest investments in defence in Australia's history when in fact the former Labor government, led from South Australia by the then finance minister, Senator Wong, a South Australian, oversaw the delay of 119 defence contracts, the reduction of 43 and the complete cancellation of eight. This was a finance minister who failed to stand up for South Australia, who failed to stand up for South Australian jobs in the defence sector. She now stands here holier than thou and tries to bring down the very person who is succeeding in filling the disgraceful gap that was left by the Labor government. This was the finance minister at the time who inherited a surplus and who inherited a country with no net debt. Then, the lamentable circumstance of $200 billion of deficit, borrowing $1 billion a month, $33 million a day, two new primary schools every day, seven days a week, is what the failed then finance minister, Senator Wong, left us with. Does she apologise? No.

The other point of apology that Senator Wong has been very silent on is the second of the persecutors and that is Senator Conroy. When did she, as Leader of the Opposition in the Senate, stand up and say to Senator Conroy, 'You will come in here and you will apologise for the disgraceful performance that you visited upon General Campbell during Senate estimates'? Our Leader of the Government in the Senate, Senator Abetz, gave advice to Senator Johnston that he did overstep the mark. His hyperbole in the excitement of the
moment was too much. And didn't we see the contrast of the two, Senator Abetz, through you, Deputy President? Didn't we see Senator Johnston come in here and say, 'Yes, I do apologise for the words I used?'

Before I get on to Senator Conroy—and it is a shame I only have a minute and 54 seconds left—what Senator Johnston was doing was firing a shot, not across the bows of workers at ASC, he was saying to the management of the Australian Submarine Corporation, 'Lift your game'. That is who he was talking about. How often do we hear Senator Cameron going on about poor leadership or poor management in this country and the fact that the workers of this country are held back by the management and the leadership. Yes, Senator Johnston may have overstepped the mark, yes, he may have use those words that he now regrets, but what he was doing was saying to the management of that company, 'Lift your game so that you will once again be credible, so that you will once again be able to ensure your workforce has work'. That is what I heard.

In the minute that I have left let's talk about Senator Conroy. It is not just that he rudely criticised a distinguished general of the Australian Army; it is that what General Campbell was referring to was the fact that he and this government were repairing the shocking demise that had been visited by the last Labor government in terms of the protection of our borders. It was General Campbell who was referring to the success of Operation Sovereign Borders, and Senator Conroy could not stand it. He could not sit there and hear how this man, led and guided by Minister Morrison, was actually redoing what Labor had undone. That is what that was all about, and when he refused to apologise his words were, 'I'll come into the chamber'. Well, we have been waiting nine months for him to come into the chamber. We saw Senator Johnston yesterday, a distinguished minister, stand up and apologise. I wait and I challenge Senator Conroy to come in here now and redress that imbalance. (Time expired)

Senator McEWEN (South Australia—Opposition Whip in the Senate) (15:17):

Yesterday, for the first time since 2005, a cabinet minister was censured by the Senate. Today, Labor senators and members have called on the Prime Minister to request the Minister for Defence resign. We are not the only ones asking the minister to do the right thing and resign. Even The Advertiser, the bastion of the conservative press in South Australia, is calling on the Minister for Defence to resign. We know that his fellow coalition members and senators are hoping he will do the right thing and resign. The minister's grip on his ministry was already tenuous when, on Tuesday this week during question time, in an attempt to provide cover for the fact he was about to renege on his pre-election promise to build the future submarines in South Australia, the minister made his now infamous and outrageous comment about the women and men of the Australian Submarine Corporation in Adelaide. He said that he would not trust them to build a canoe.

The reaction in Adelaide was instantaneous. How dare the Minister for Defence say that when everyone knows that Australian Submarine Corporation workers are some of the most skilled, dedicated and innovative in this country. How dare he use those workers as cover for his government's decision to break the promise about building the future submarines in South Australia. What damage has he done to the future of manufacturing and shipbuilding in this country with a comment like that which was immediately picked up by the international media? What signal did that message send to the rest of the world about Australia's naval capability? He has compromised our standing in the world, and that is a truly irresponsible
thing for a cabinet minister to do. All Minister Johnston's weasel words, his half-hearted apology, his ludicrous explanation of a 'rhetorical flourish' and his utterly pathetic attempts to back track, ever since Tuesday's outrageous comment, have not worked. Business, workers, the media, even his own colleagues know that there is no climbing out of the hole that the minister has dug for himself.

Last Tuesday night I received an email from a constituent in South Australia, Mr Brenton Westell, regarding Senator Johnston's comments. He had sent it to the minister but he also sent me a copy. I am going to read this email out, because it captures exactly the outrage that South Australians felt on Tuesday—and are still feeling today. The email, addressed to Senator Johnston, said:

Dear Senator,

I have just viewed your remarks regarding ASC on the floor of the senate, and party politics aside, I am personally insulted by these comments.

My 23 year old son is a graduate engineer at ASC, having graduated with honours last year from Adelaide University. Four years at uni, studying harder than most people will ever know, after achieving straight A's in year 12, to have a Federal Senator tell him you wouldn't trust him to build a canoe.

You may have an agenda to push, but this does not give you carte blanche to denigrate the "lifters" your treasurer keeps wanting us all to be.

I doubt you will even read this, but on the off chance someone does, it is my view that a heartfelt apology in the senate is the only redress to the insult I feel on the part of a fine young man who actually deserves your respect rather than your spite.

Brenton Westell

I know that Mr Westell has followed up his email with a call to the Prime Minister's office calling on the Minister for Defence to resign. I look forward to hearing what response Mr Westell gets from the Minister for Defence and from the Prime Minister. There are, of course, other South Australians calling on the Minister for Defence to resign. South Australian state Liberal leader, Steven Marshall, was unforgiving of the minister's comments. He said of Senator Johnston:

Unless he can rebuild some connection, some rapport, some confidence within the industry, then I don't think he has any alternative (but to resign).

South Australian Premier Jay Weatherill has also publicly slammed the minister for his remarks, saying that he has 'demonstrated that he will not be objective or impartial' and that his 'position is no longer tenable and he must resign.' The calls for the minister to resign are coming from all sides of politics. (Time expired)

Senator CANAVAN (Queensland) (15:22): When I sit here and listen to the arguments of the other side in this debate and during question time, I am reminded of that great American children's TV show Sesame Street. The children up in the gallery are perhaps more recent viewers of that show than I am, but I remember that there is a great song in Sesame Street called One of These Things is not Like the Other. The reason I think of that song when I hear their debate is that we have now spent two days in the Senate—quite a long time yesterday afternoon—arguing about censoring a senator. That is a very serious motion and a very serious act of this parliament—about a sentence that he spoke, about an analogy that he made that was slightly mangled and that he came in and apologised for later. And we have wasted
hours upon hours of our time to make this censure motion. This song came to me, because yesterday when I was hearing this debate, I thought: I am only new to this place. What other acts and behaviours have we censured in this place in the past? We have over 100 years of history so presumably there is some kind of precedent here for censure motions. What acts actually constitute the need for a parliament to censure someone? If you go to *Odgers*, it says on page 461:

Ministers have been censured for matters as varied as: misleading the Senate, failing to answer questions on notice within the stipulated time limit, maladministration of a department, attempting to interfere in the justice system of another country, failing to declare an interest in a matter, for “contemptuous abuse” of the Senate, and for refusing to produce documents in compliance with an order of the Senate.

These are all very serious matters. When we come to do the next edition of *Odgers*, unfortunately—and the Clerk is here—the Clerk is going to have to add a little phrase to say 'and someone was also censured for mangling an analogy and subsequently apologising for it'. One of those things is not like the other. I do not know which one. There are about 10 serious acts there and another one which is not like the others. Yesterday, though, we had this faux outrage from the other side about this. I think it is appropriate that we do think of *Sesame Street* when we talk about the Labor Party's approach to defence policy in this nation, because it is as if their defence policy is written by muppets. Kermit the frog would do a better job than these guys are doing right now writing defence policy.

I walk around this place, and people put stickers in their windows all the time about what is going on. I saw a humorous one in Senator Cameron's office earlier—it was quite good. But I keep seeing bumper stickers in Labor Senators' offices saying, 'Build, design and maintain here'. And there is a picture of a submarine. I looked at the Senate report that Labor senators just signed off on, in the Senate Economics References Committee, and nowhere in that report do they make a recommendation to build, designed or maintain ships here. So they are putting these bumper stickers presumably on their cars as they are driving around the electorates and they put them in their offices, but they did not make that recommendation in the report. Why didn't they make that recommendation in the report? Because no-one made that recommendation to the Senate Economics References Committee. No-one! Not one expert said that we should build, design or maintain submarines here. Everybody knows that we are not going to build, design or maintain ships here. We may do a component of the work here, and the government is still considering how much that might be. But we are not going to design submarines here. We are not going to be able to do all of that work here. All of the ships we are currently building, which were approved and contracted for under the Labor Party, were all done with substantial amounts of work from overseas. The previous submarines that we had built were the Collins Class, which the Labor Party held up as a template for the future. Much of the work on those submarines, and much of the equipment, comes from European submarine companies. The weapons systems come from American submarine companies. So these guys over there are not producing a proper defence policy. They are producing something that cannot be attained that even they do not want to put their name to.

The other interesting thing, when you read through the Labor senators' report that they released a couple of weeks ago, is that they say that what they want is an open and transparent tendering process. They want it to be open and transparent and they want it to be competitive
and open to everybody, except on the one page of the report they say, 'The Japanese can't apply'. So it is open and competitive, but we cannot have Japanese ships.

Senator Abetz: What!

Senator CANAVAN: That is right, Senator Abetz. I wish I had the words. I have the words of another debate here but I do not have the report on the me. There is a sentence in that report that says we should not go ahead with a Japanese submarine right now. Why? If we are going to have an open and competitive tender process, what have you got against Japanese submarines? What is against it? The reason they doing this is because they are running a political campaign and not a defence policy. It is not a policy to defend the future of our nation. This government is focused on making sure that our policy is put in place for the best interests to defend our nation. Over there, they are wanting to get grabs for late night TV.

Senator O'NEILL (New South Wales) (15:28): I rise to take note of Senator Cormann's answer to my question about his broken promise to the victims of the Trio Capital collapse, specifically the association of the ARP Growth Fund. The senator tries to run away from the promises he made in opposition. Through you, Mr Deputy President, I say to the minister: he may well run but he cannot hide. At least not now with the eyes of the Senate watching him on this matter. Running away from reality, running away from his promises, breaking his word—but it is clear today that his word, like the word of the Prime Minister, simply means nothing. Indeed, his words mean less than nothing. His words have been constructed to deceive.

Let us be clear about the facts that underpin my question to the minister today. The facts are these: before the election, at a number of conferences and forums and on the public record, the minister gave indications of support for compensation. On 7 May last year he said:

... we do believe that there is a case for the government to look more closely as to whether there would be some justification for a level of compensation, if not for the full amount of the loss, but at least a level of compensation.

In a press release dated 2 July 2013, a matter of weeks before the election, the minister advocated the need to:

... explore whether unique circumstances surrounding the Trio collapse justify at least a level of compensation to victims so far left out in the cold.

These are his words on the public record. So why, now he is in government and he has had responsibility for this matter for the whole year, has he not met once with the people to whom he held out such promise?

I will go through the critical moments in the time line for this particular group, who communicate with many other groups around the country and should have had wind of something. If the minister had such good news to tell them, he certainly has not communicated it. This is what happened. The election of the Abbott government happened on 7 September. There followed, shortly after, a meeting with the member for Bradfield, Paul Fletcher. Shortly after that, there were two more meetings, with Senator Williams. Then there was a letter to the Assistant Treasurer at the time, Senator Sinodinos, setting out a course of action to have the matter advanced: to instruct the department to form a working group to investigate the issue or to set up an independent review. This was followed by a meeting on 16 December with Mr Paul Giles, the chief of staff to Senator Arthur Sinodinos, where the
Association of ARP Unitholders put forward a submission to the Assistant Treasurer. Then silence.

Then there was the elevation of Senator Cormann to Assistant Treasurer. Hopes were raised again—and the previously fierce fighter for this cause remained silent. Surely Senator Cormann would honour his promises now that he was in a position to do so, they thought. Then there was a short phone conversation with Mr Giles in March, saying things were on track. Then again the deafening silence, a silence that has lasted all year. It is now nearly a year since that meeting on 16 December. What do the minister's answers today mean? We will see what they mean. If it goes the way of all other promises of the government, it will end up in a broken promise. This group certainly deserves to be treated with respect, but all we see, once again, is that the government, which said anything to get elected, now that they are in government, are doing the complete opposite.

The minister needs to deliver on his promise of compensation. He might try to crab-walk away from it, but that is what he promised. He needs to admit that he is simply ignoring this group and hoping they might go away. The whole issue may just be an inconvenience for Senator Cormann now that he is a minister, but 18 months ago it was an issue he claimed to care about and an issue he said he would fight for. People took the senator at his word and trusted him to help. People have been putting forward victim impact statements with regard to the impact on them of this terrible decision of the government not to support them: 'For the past few years, we've felt helpless and alone as our calls for assistance in resolving this matter have been drawn out—to this point fruitless. There has been no support. The most significant and heart-wrenching impact has been watching the dramatic decline of my wife's health. Not long after the Trio collapse unfolded, my wife's health declined suddenly and rapidly, and it ended up with a medical condition resulting in strokes.' This is the sort of story that is happening while the government is twiddling its thumbs. Clearly the minister has a real responsibility to honour his words before the election. He made a promise of compensation. He cannot walk away from it now.

Question agreed to.

Health Care

Senator DI NATALE (Victoria) (15:33): I move:

That the Senate take note of the answer given by the Assistant Minister for Health, Senator Nash, to a question without notice asked by Senator Di Natale today relating to co-payments for medical services.

It is hard to escape the conclusion that what we are witnessing is a government unravelling here. It seems that the current government has taken only a year to get to where the previous government got to after at least two years. We have a Prime Minister who leaked to a number of senior journalists: 'The GP payment's gone. It's dead. We're not going to proceed with it. It's one of the barnacles that's going to be cleared away.' Then this morning we heard the Leader of the Government in the Senate, Senator Abetz, state, 'Actually this thing is back on life support.' We have a Minister for Health who suggests that indeed the issue is going to be prosecuted, perhaps not via a co-payment introduced through legislation but through a mechanism whereby regulation is introduced.
The co-payment was a dog of a policy, but at least there were some protections built in for concession card holders, for kids, for pensioners. If this policy is to be introduced through regulation, they are gone. It will make a terrible policy much, much worse. You are basically giving a hit to everybody, to the poorest and most vulnerable people in society, without any protection. The government is currently refusing to rule out introducing the co-payment through regulation.

And why are we having this debate? It is a debate based on a lie. The idea that healthcare spending is unsustainable is just nonsense. We have one of the most efficient health systems anywhere in the world. We spend about nine per cent of our GDP on health. The US spend double what we spend and they get much worse health care. We are rightly proud of the primary healthcare system that is delivered and funded through Medicare. We are rightly proud of it. We do not want it to be dismantled.

The Minister for Health said, this very morning, 'The last thing we want in Medicare is greater complexity.' He made that statement in response to a question. Well, what does the AMA have to say about the co-payment that he so desperately wants to see introduced? The AMA says:

... the co-payment also added yet another layer of administrative complexity and red tape for general practice: "Simple bulk billing will now be replaced with a complex system of part payments by patients ..."

Again, we have a minister saying one thing and doing another. If the last thing you want to do is introduce greater complexity into Medicare, why proceed with the co-payment? Put this dog of a policy to bed. Put it in the graveyard of bad ideas. That graveyard is getting mighty crowded at the moment. But let us knock it off and let us not send a ransom note to the people in the community who would benefit from an investment in medical research. We have got a government that is effectively blackmailing the Australian community: 'Support the co-payment or medical research gets it in the neck.' That is what the government is effectively saying to members of the Australian community. It is a bad way to do policy. It is a policy that should either stand or fall on its own.

We support the Medical Research Future Fund. We think it is a good idea. It is one of the few good ideas that was released in the previous budget. So let's ensure that we work together with those members from the opposition and the crossbenches who want to see a greater investment in medical research, who support the model that has been proposed by the government but do not want to see it funded on the back of the sickest and poorest members of our community.

What we have effectively at the moment is a government that appears to be unravelling: the left arm not knowing what the right arm is doing. It is creating a deal of uncertainty for those members of the community who are sick, have chronic disease and need to visit their GP on a regular basis.

If the policy was going to save some money at the expense of fairness, there may be an argument for why we should proceed—not one I would agree with but at least some sort of logic behind the premise. The problem with this policy is not only is it unfair and inflict a burden on those people who can least afford it but it just imposes costs down the line. Those people who will be deferred who will respond to a price signal—in the government's own words—are the ones who are most likely to end up in emergency departments, because their
chronic disease is not being managed. Let's put it to bed, let's move on and let's salvage the Medical Research Future Fund.

Question agreed to.

BUDGET
Consideration by Estimates Committees

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (15:38): On behalf of the respective chairs, I present additional information received by committees relating to the following estimates:

Budget estimates 2014-15 (Supplementary)—
Community Affairs Legislation Committee—Additional information received between 30 October and 27 November 2014—
  Health portfolio.
  Social Services portfolio.
Education and Employment Legislation Committee—Additional information—
  Education portfolio.
  Employment portfolio.
Foreign Affairs, Defence and Trade Legislation Committee—Additional information received between 14 and 26 November 2014—Defence portfolio.

COMMITTEES
Treaties Committee
Report

Senator BIRMINGHAM (South Australia—Parliamentary Secretary to the Minister for the Environment) (15:39): I present the government’s response to the 137th report of the Joint Standing Committee on Treaties, treaty referred on 15 January 2014. I seek leave to incorporate the document in Hansard.

Leave granted.
The documents read as follows—Australian Government response to the Joint Standing Committee on Treaties' report:

August 2014

Government Response to
Report 137 of the Joint Standing Committee on Treaties: Australia-UAE Nuclear Cooperation Agreement.

The Government thanks the Committee for its consideration of the Agreement between the Government of Australia and the Government of the United Arab Emirates on Cooperation in the Peaceful Use of Nuclear Energy, done at Abu Dhabi on 31 July 2012 ("the Nuclear Cooperation Agreement"), which was tabled on 18 March 2014. Binding treaty action was completed on 14 April 2014 in Abu Dhabi. The Government provides the following responses to the Committee's recommendations.
Recommendation 1

The Committee recommends that, prior to ratification of the proposed Treaty, the IAEA undertake physical inspections of UAE facilities that will handle Australian obligated nuclear materials.

The United Arab Emirates (UAE) has a Comprehensive Safeguards Agreement and Additional Protocol on strengthened safeguards in force with the International Atomic Energy Agency (IAEA). These two agreements provide the IAEA with reporting and access to facilities necessary to verify the UAE’s compliance with its commitment to use nuclear energy solely for peaceful purposes. Under these two agreements all nuclear material and facilities will be subject to IAEA safeguards verification.

The IAEA will have early and thorough inspection oversight at nuclear power plants in the UAE well before any Australian uranium is potentially supplied. However, given the construction of the first nuclear power plant at Barakah has not yet reached a stage where design features relevant to IAEA safeguards are installed the IAEA has not yet commenced inspections. The Barakah Nuclear Power Plant is scheduled for completion in 2017 and the first IAEA inspections will likely commence in 2015 or 2016. In the meantime the IAEA is receiving good cooperation from the UAE national regulator in preparing for inspections. The following summarises current and planned activities in the UAE in relation to nuclear regulation:

The UAE has received the following IAEA review and appraisal missions:

- Integrated Nuclear Infrastructure Review in January 2011
- Integrated Regulatory Review Service (IRRS) in December 2011.

The UAE has committed to the following further review and appraisal missions:

- International SSAC (state systems of nuclear accountancy and control) Advisory Service in May 2014
- IRRS Follow-up Mission in February 2015

with IAEA for the period 2013-2017, under which are arranged expert missions and training workshops in safety, security and safeguards.

The Government is satisfied that the IAEA inspection regime will be sufficient to provide assurances on the peaceful use of Australian uranium, and nuclear material derived from its use. The UAE has displayed a high level of transparency and cooperation with the IAEA, and has entered into binding treaty commitments with regard to nuclear safeguards and security.

Recommendation 2

The Committee recommends that the Government report to the Parliament on what action it has taken to implement the recommendations of the United Nations System Wide Study on the Implications of the Accident at the Fukushima Daiichi Nuclear Power Plant.

The Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) has considered the UN System-Wide Study on the Implications of the accident at the Fukushima Daiichi nuclear power plant and is supportive of its recommendations. Australian approaches to nuclear safety are consistent with the recommendations of the report in relation to the protection of people and the environment.

The Australian Nuclear Science and Technology Organisation (ANSTO) has taken a number of actions in the area of nuclear safety and emergency preparedness in response to post-Fukushima accident analysis. ANSTO has submitted to ARPANSA a preliminary assessment of the implications of the Fukushima accident for the Open Pool Australian Lightwater (OPAL) reactor. The OPAL post-Fukushima safety and emergency preparedness action plan is currently being evaluated by ARPANSA.

ANSTO is currently finalising a Safety Reassessment of OPAL in the light of the Fukushima Daiichi Accident, which is based on the IAEA guidance contained in Safety Reports Series No.80: Safety
Reassessment for Research Reactors in the light of the Accident at the Fukushima Daiichi Nuclear Power Plant, which was published earlier this year.

ARPANSA, ANSTO and local and national emergency organisations routinely review and exercise emergency preparedness and response arrangements for adverse events for the OPAL reactor, including relevant scenarios drawn from the Fukushima accident.

Recommendation 3

The Committee recommends that the Government explore and report to Parliament on mechanisms to strengthen the resourcing of the IAEA.

In recognition of the IAEA's crucial role in verifying state compliance with safeguards commitments in the Nuclear Non-Proliferation Treaty (NPT) and facilitating nuclear cooperation, Australia has always worked in support of an IAEA which is appropriately funded and which has the full cooperation of all States.

Australia has a track record of strong engagement with the IAEA. As a long-standing member of the Board of Governors, Australia supports the Director-General's and Board's efforts continually to strengthen the effectiveness and efficiency of IAEA safeguards and its other programs.

Australia has always paid its assessed contribution, and provides additional extra-budgetary contributions and in-kind support. We pay our Technical Cooperation Fund (TCF) contribution, and encourage other States to do the same. In addition, Australia continues to provide specialists from our nuclear-related agencies to the IAEA and to hold a range of meetings with regional counterparts, as part of bilateral cooperative agreements and IAEA projects.

Australia recently provided an extra-budgetary contribution of $2 million in support of the P5+1/Iran Joint Plan of Action which is seeking to resolve international concerns about Iran's nuclear activities. At the 2014 Nuclear Security Summit, the Minister for Foreign Affairs, the Hon Julie Bishop MP, also announced a contribution of $1 million to the IAEA's Nuclear Security Fund—specifically for activities focused in Australia's region.

Given the above, Australia, as one of the IAEA's most active members, will continue to work closely and cooperatively with the IAEA and other like-minded member States, including in regard to helping ensure the agency has the necessary resources and support in order to undertake effectively its nuclear non-proliferation, safeguards and security activities.

Recommendation 4

Subject to the above recommendations, the Committee supports the Agreement between the Government of Australia and the Government of the United Arab Emirates on Cooperation in the Peaceful Uses of Nuclear Energy and recommends that binding treaty action be taken.

In light of the strong IAEA oversight and cooperation outlined in the response to Recommendation 1, the Government made the decision to bring the Agreement into force before the first IAEA inspections take place. Binding treaty action was completed on 14 April 2014 in Abu Dhabi when the Minister for Trade and Investment, the Hon Andrew Robb MP, provided written notice to the UAE Minister for Foreign Affairs, HH Sheikh Abdullah bin Zayed Al Nahyan, that the Australian Government had completed the necessary domestic procedures for the Agreement to enter into force. The Agreement has value for the bilateral relationship, and provides certainty to Australian uranium producers who operate in a competitive international environment.
BUDGET

Portfolio Additional Estimates Statements

Senator BIRMINGHAM (South Australia—Parliamentary Secretary to the Minister for the Environment) (15:39): I table the portfolio budget estimates statements 2014-15 for the Infrastructure and Regional Development portfolio.

DOCUMENTS

Abbot Point

Order for the Production of Documents

Senator BIRMINGHAM (South Australia—Parliamentary Secretary to the Minister for the Environment) (15:39): I table a document relating to the order of the production of documents concerning Abbot Point.

COMMITTEES

Membership

The DEPUTY PRESIDENT (15:39): Order! The President has received letters from party leaders requesting changes in the membership of committees.

Senator BIRMINGHAM (South Australia—Parliamentary Secretary to the Minister for the Environment) (15:40): by leave—I move:

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

Abbott Government’s Budget Cuts—Select Committee—

Appointed—

Substitute member: Senator Ruston to replace Senator Canavan on Friday, 12 December 2014

Participating members:

Senators Back, Bernardi, Bushby, Edwards, Fawcett, Heffernan, Macdonald, McKenzie, O’Sullivan, Reynolds, Ruston, Seselja and Williams

Senator Canavan on Friday, 12 December 2014

Trade and Investment Growth—Joint Select Committee—

Discharged—Senator Lazarus

Appointed—Senator Wang

Wind Turbines—Select Committee—

Appointed—

Senators Back, Canavan, Day, Leyonhjelm and Madigan


Question agreed to.
CHAMBER

BILLS
Carbon Farming Initiative Amendment Bill 2014
Australian Education Amendment Bill 2014
Australian Sports Anti-Doping Authority Amendment Bill 2014
Social Services and Other Legislation Amendment (2014 Budget Measures No. 6) Bill 2014
Private Health Insurance Amendment Bill (No. 1) 2014

Assent
Messages from His Excellency the Governor-General were reported informing the Senate that he had assented to the following laws:
Australian Education Amendment Act 2014 (Act No. 120, 2014).
Private Health Insurance Amendment Act (No. 1) 2014 (Act No. 123, 2014).

MOTIONS
Government Spending
Senator LEYONHJELM (New South Wales) (15:40): I, and also on behalf of Senator Day, move:

That the Senate acknowledges that it has a responsibility to propose and discuss options to cut government spending.

My hope for this general business debate is for senators from across the chamber to outline spending cuts they would support. My hope is that we uncover some spending cuts where a good number of senators agree with each other. And my hope is that the government has the gumption to adopt any such spending cuts. But my wishful thinking does not stop there.

I hope that we do not get diverted into discussions on revenue-raising. Proponents of revenue-raising are free to devote a general business debate to that issue. But this is a debate on options to cut government spending. I will resist the urge to discuss whether revenue should go up or down, and I ask others to do the same. I also hope that each senator proposes more spending cuts than they oppose. It is inevitable that senators will speak against various spending cuts. But surely this should be balanced by alternative suggestions.

To kick off this debate, I want to indicate my support for spending cuts mooted by others in this place. My co-sponsor in this motion, Senator Day, will outline his spending cuts shortly, and I anticipate that I would support each of them. I have avoided stealing his thunder by not mentioning them now, but he is not the only crossbencher willing to propose spending cuts.

Senator Madigan has called for MPs to travel in economy class by default, to abandon junkets overseas and to leave their spouses behind when they travel. I agree and consider that the same approach should apply across the public service.
Senator Lambie has made comments about cutting foreign aid. I also think it should be cut. In fact, I believe that we should abolish government provided foreign aid other than short-term humanitarian responses to natural disasters, including the Ebola outbreak.

Government provided foreign aid does not show how generous Australians are; it shows how generous some people are with other people's money. A true indication of the generosity of Australians would be to leave decisions on foreign aid to individuals. I cannot say what this would do to the level of foreign aid leaving our shores but I am confident that the money would be directed to organisations and causes that Australians have faith in. And, on a value-for-money basis, it would absolutely leave government foreign aid for dead. If we really want to help people in other countries, promoting free trade across the board would have much greater benefit.

In amongst their calls to increase revenue, the Australian Greens have proposed some cuts to spending, such as spending on industry assistance. I agree with these spending cuts. Our industries would be better off if they could focus on satisfying customers rather than bureaucrats who hand out grants.

I support ending what people normally think of as industry assistance, like spending on agriculture, tourism, mining, manufacturing, and construction industries. But industry assistance goes beyond that: it includes funding for the arts industry, the sports industry and the communications industry, including the ABC and SBS. Corporate welfare does not stop being corporate welfare when the corporation is government owned or when the corporation is one you like, such as a renewable energy business.

The Australian Greens have also mooted cuts to defence. I agree that responsible spending cuts are possible in defence. Our permanent military should be limited, but should be able to quickly expand if required. Our permanent military should be focussed on long-distance force projection, requiring a strategic strike capability, an effective submarine fleet and a rapid reaction, air mobile expeditionary force including special forces. This implies less of a need for other aspects of our current military, like most of the Navy's surface fleet. Achieving our military goals in a cost-effective way also requires procuring the most suitable items from the best suppliers around the world. On that can I also say that I think the Australian Submarine Corporation could build a canoe, but only one and it would be very late and horribly expensive.

I also acknowledge that Labor has supported spending cuts in recent times. For instance, just prior to the last election Labor cut spending on the Public Service, foreign aid, subsidies to landowners to support biodiversity, subsidies to employers for taking on apprentices and subsidies for clean technology and carbon capture and storage. I support spending cuts in each of these areas. Since the election the coalition has proposed a range of spending cuts, including cuts to higher education and the Australian Research Council, cuts to Medicare rebates for GPs and the private health insurance rebate, cuts to welfare payments for individuals and corporate welfare and cuts to the ABC and SBS. I support all of these cuts. In fact, I think the only coalition proposal for spending cuts that troubles me is the periodic removal of Newstart for young unemployed people. This strikes me as an odd thing to do given that we actively stop employers from taking on young people because of our insistence on a prohibitively high minimum wage.
This brief scan of the Senate gives me hope that there is a will in this Senate to cut government spending. We just need to open our eyes and look for the common ground. I would like to add a couple of spending cut suggestions to the mix from the party platform of the Liberal Democrats. Let me start with a spend that represents a quarter of the Commonwealth government's spending—that is Commonwealth payments to the states, territories and local governments. These payments should be abolished. Abolition would prompt the states to means test access to public hospitals and schools and to put tolls on arterial roads and highways. Even if they reacted by increasing taxes, which I would not encourage, we should remember that the states have access to substantial tax bases, many of them more efficient than the Commonwealth's income tax. The abolition of Commonwealth payments to states would increase the autonomy and accountability of the states and allow greater competition and experimentation between the states. The abolition would also serve to end horizontal fiscal equalisation—a welfare system whereby funds are effectively taken from rich state governments and given to poor state governments. This system discourages state governments from removing impediments to economic growth and from reducing dependency on government services. It also targets assistance more poorly than welfare to individuals.

Billions of dollars are taken from Australian workers every year and then given back to the same families in the form of government handouts or subsidies. This is wasteful, inefficient and unnecessary. We need to bring back a central support role for family and community, we need to focus tax paid support on the least well off and we need to get rid of middle-class welfare and indeed upper-class welfare. While we hear complaints about dole bludgers, the truth is that spending on family payments is more than three times larger than spending on unemployment payments and spending on aged pensions is six times larger.

We need to dust off the Commission of Audit report, which suggested the removal of the schoolkids bonus and family tax benefit part B. We need to target family tax benefit part A to families with the least income. Today I have introduced a bill that would do just that. We need to include the family home in the assets test for the aged pension. So long as only the home's value above a high threshold is taken into account and so long as there is always access to a pension equivalent payment through a reverse mortgage or something similar, there is no reason for the family home to be excluded.

Finally, we can appreciate public servants while at the same time believe they are overpaid. The typical wage across the entire Australian workforce is around $62,000, but that is roughly what a Public Service graduate gets at the start of their career. By the time they have worked for a few years many are on around $100,000 per year. The various layers of management regularly get between $150,000 and $300,000, while top bureaucrats get up to $700,000 per year. A cut to Public Service budgets totalling $2 billion could prompt salary cuts of around 10 per cent. This would reset public sector wages, which have grown faster than private sector wages over the last decade, and it would still leave public sector wages at a very healthy level.

After accounting for inflation, Commonwealth government spending per person has increased by more than a third since the introduction of the GST. Commonwealth government spending is more than a quarter of GDP, which is well above the post GST average. It is time for the denial to end. Our government has a spending problem and it is time for an intervention. I look forward to the contributions to this debate from my fellow senators.
Senator CORMANN (Western Australia—Minister for Finance) (15:52): I would like to congratulate senators Leyonhjelm and Day for proposing this motion today. Senators Leyonhjelm and Day have demonstrated that they are committed to taking a positive and constructive approach to resolving the fiscal challenges that we are facing as a nation today.

Of course, it is a matter of public record that when we came into government in September last year we inherited a weakening economy, rising unemployment, low consumer confidence, business investment which had plateaued, a rapidly deteriorating budget position and one of the steepest debt growth and spending growth trajectories in the world. The previous, Labor government, back in 2007, inherited a strong economy and a strong budget. They inherited a budget with no government net debt, a $20 billion surplus, and about $70 billion in net Commonwealth assets. Indeed, the previous, Labor government inherited a situation where, back in 2007, the Commonwealth was collecting more than $1 billion in interest payments a year on the back of a positive net asset position.

At that time—back in 2007—federal government spending as a share of GDP was at about 23.1 per cent. Labor will say that we have had the GFC and all these issues and that that is why the whole thing turned into such a mess so quickly. I argue that that is not actually true. Labor did rapidly increase spending in their first two years in government—by 17 per cent in real terms, in fact. It was an extraordinary spike in spending in Labor’s first two years in government. And that became the new base from which future spending increases kept happening, from year to year.

Even worse, in the period beyond the published budget forward estimates at the time of the last election Labor locked in a whole lot of structural spending increases in various areas of government that were never properly funded. They locked in spending growth that was taking us to spending as a share of GDP of 26.5 per cent. Why is that of concern? Why is spending at 26.5 per cent as a share of GDP of concern? If you accept the proposition, as we do—and as, I believe, Leyonhjelm and Day do—that as a government and as a country we should be living within our means, that we should not be living at the expense of our children and grandchildren and that we should not be borrowing from our children and grandchildren in order to fund a significant proportion of our living expenses today, then our revenue has to cover our expenditure.

It is a pretty basic proposition. Every family, every business across Australia, understands that unless your revenue covers your expenditure over time you keep adding to your debt and to your debt interest. At some point that will have to be paid back. If we do not pay our own way then what we are asking our children and grandchildren to do is to pay it back for us with interest, which means that they have to pay higher taxes or accept deeper spending cuts in order to make up the ground that we have lost for them. That is the fundamental unfairness of the parliament or the Senate not dealing with some of the structural challenges that we have inherited.

The problem here is that instead of spending as a share of GDP being 23.1 per cent—which it was in the last year of the Howard government—the previous, Labor government put Australia on a trajectory where spending as a share of GDP was heading for 26.5 per cent by 2023-24—and rising beyond that. Why is that a problem? If you look at tax revenue as a share of GDP over the last 20 years, you find that it averaged at about 22.4 per cent. With spending at 26.5 per cent as a share of the economy, and revenue at 22.4 per cent as a share of the
To be a bit more generous in terms of the average tax take as a share of GDP, in the period between the introduction of the GST and the global financial crisis, tax revenue as a share of GDP was at 23.9 per cent. But even at 23.9 per cent there is still a significant gap between the level of revenue and the level of expenditure that the previous government has structurally locked in, on top of various spending growth pressures that we are facing in any event. Not all of it is Labor's responsibility. I readily admit that. We are, as a nation, facing some structural challenges that are the result of things like the ageing of the population. The ageing of the population means that we have falling workforce participation rates. That has an impact on our capacity to grow the economy as strongly as we might with higher participation rates.

Obviously, with the ageing of the population also comes higher levels of expenditure in health and social services, in particular. The other structural challenge that we face as a nation—it is a challenge that is particularly acute now—is that, as an economy with a relatively small population for the size of our continent and for the size of our economy, and with a very significant part of our economy being export oriented or trade exposed in terms of imports coming in, the level of commodity prices matter to us.

Now, over five of the six years of the Labor government they had the best terms of trade in 140 years. Between 2008 and 2012 we had the best prices for our iron ore exports, for our coal exports and for a number of other key exports. What would normally happen in countries like Australia, where there is that level of exposure to global fluctuations in commodities prices and the like, is that when prices are very high you put away savings and resources for a rainy day. The previous government did the exact opposite. When we were getting record prices for our commodities—when our economy was growing strongly on the back of record terms of trade—the previous government was exposing us to unsustainable levels of expenditure.

Now that the situation is turning around, now that commodity prices are coming down much faster and much deeper than had been anticipated by anyone, we are too exposed. Do not take my word for it. A couple of months ago we had a visit to Australia by a gentleman called Pascal Lamy, a former French Socialist finance minister and former head of the World Trade Organisation. None other than Pascal Lamy made the point that Australia cannot sustain the levels of debt that certain countries in Europe have incurred. Why? Because our economy is inherently more risky because of our exposure to global markets. That is, of course, exactly right.

**Senator Conroy:** Are you back to destroying business confidence?

**Senator CORMANN:** Senator Conroy is here interjecting, but the truth is that Labor put Australia on an unsustainable spending growth trajectory, recklessly and irresponsibly, and of course Senator Conroy is not able to look ahead to where the trajectory they have put Australia on is taking us. The trajectory that Labor put Australia on is taking us to a situation where consistently, as far as the eye can see, spending would exceed our revenue. That needs to be addressed by being realistic about what is likely to happen to our revenue collection in the years ahead.
There is absolutely no question that Labor put us on a spending growth trajectory to 26.5 per cent of spending as a share of GDP. If Labor, as Mr Shorten has indicated, is committed to a surplus and is not prepared to support spending cuts, what that necessarily means is that Labor would have to increase taxes as a share of GDP to 26.5 per cent in order to balance the books. That is the mathematical reality. If Mr Shorten is not prepared to bring the spending growth trajectory down, then the only way he can balance the books is by massively increasing the tax growth trajectory as a share of GDP and that of course would hurt our economy and would hurt jobs. It would cost jobs because it would make our economy fundamentally uncompetitive internationally. These are the challenges we have been facing as a government.

About 85 per cent of Commonwealth spending at a Commonwealth government level is essentially a transfer of payments through the welfare system, through the health system and payments to the states. Only a very small part of the expenditure of the Commonwealth is, unlike in the states, paid on wages for public servants. Most of it, essentially, is taking money out of taxpayers' pockets and handing it out to somebody else, whether that is through the welfare system, whether that is through the Medicare benefits system, whether that is through the pharmaceutical benefits system, whether it is through payments to the states. You name it: we are essentially just taking money from here and handing it over there. We have to do that in a way that is affordable for the country.

If we do not do this, if we continue to go down Labor's path where we are putting a significant chunk of our day-to-day living expenses on our national credit card, without ever paying any of it off, we would be in the situation where we would have to hand over that credit card to our children and grandchildren down the track for them to pay it back. Every parent knows that that would be a completely unreasonable and unfair expectation. No parent in Australia would put a chunk of their grocery bill on their credit card every week and every month and, at the end of their life, say to their kids, 'Thank you very much, Son, thank you very much, Daughter. And I now want you to pay these off.'

Senator Conroy: No, but they might buy a house and put a mortgage on it!

Senator CORMANN: 'They might buy a house and put a mortgage on it!' Well guess what? That is not the situation that Labor has put us in. Labor has not exposed the country to good debt; Labor has exposed the country to bad debt. Not even your borrowing for the NBN was a good investment. You made a complete mess of— I was going to say something unparliamentary but I stopped myself in time. You were wasting money left, right and centre on something which, quite frankly, was not value for taxpayers' money. But the real problem we have in Australia as a result of the decisions that were made by the previous Labor government, combined with the structural pressures we are facing in any event in the context of the ageing of the population and our exposure to global markets, means we are in a situation where we are borrowing to fund a large proportion of our recurrent expenditure year in, year out. The longer we do this, the longer we add to our debt in an expectation that our kids will pay tomorrow to fund other living standards today—the Labor Party can yell and scream as much as they like but that is the situation that Labor put the country in. They are wanting to force our children and grandchildren to pay higher taxes or accept deeper spending cuts down the track in order to pay for our expenditure today.
There is never an easy way to reduce government spending because the truth is, once you lock in government spending decisions, there is somebody at the other end of that spending who enjoys a benefit they do not readily want to give up. If you are able to get something for free and then somebody says, 'We want you to make a small contribution in order to help us ensure that the service you are accessing is going to be available for everyone over the medium to long term', that is not necessarily spontaneously going to be popular.

Let us talk about health for a moment. Expenditure in health has continued to grow faster than the economy for some time and will continue to grow faster than the economy for the foreseeable future, in particular and on the back of the growing demand as a result of the ageing of the population. So what do we do? Our responsibility as members of parliament, our responsibility as representatives of the people of Australia is to ensure that we put our health care system on a sustainable foundation for the future. When you have growing and potentially unlimited demand and unlimited resources, however high they are, you need to ensure that those resources are deployed in the most efficient and effective way. You need to ensure that the resources you have available are spread as far and wide as possible.

And what is our policy challenge in health? Our policy challenge in health is to ensure that all Australians can have affordable and timely access to high-quality health care in a way that is also affordable for the taxpayer. So the question becomes: when I access a medical service, should the taxpayer cover 100 per cent of the cost of that service or should I be asked to make a small contribution to accessing that service? Labor thought that it was appropriate for the patient accessing a service to pay a small co-payment when it came to accessing pharmaceuticals. So why is it not appropriate when accessing a GP service? The principle is exactly the same. We know, of course, that in tempore non suspecto, as the Romans would say, before this whole issue became political the shadow Assistant Treasurer, Mr Leigh, held that exact same view. The shadow Assistant Treasurer, Mr Leigh, who does know a bit about economics, actually made the point that a small co-payment is the absolutely appropriate way to go when it comes to ensuring we maximise the efficient allocation of limited resources to a growing demand for healthcare services and that a price signal is a proven way to achieve that.

There are, of course, a whole series of structural reforms that we have put forward in the budget—not because we enjoy hurting people or imposing pain on people but because we want to ensure that the important services of government—social services, healthcare services and all the things that governments do—continue to be affordable over the medium to long term. To those Australians who ask why the government is doing this, I would say consider what is happening to our revenue now. In December last year, the Labor Party would say, the Treasurer and I were overly pessimistic in our revenue assumptions—that the assumptions underpinning our revenue forecasts were supposedly deliberately pessimistic in order to make the budget numbers in Labor's last budget look worse than what they were. That is not what we did. We were committed to being realistic. As it turns out, we were being too optimistic. And today Labor is saying that we exaggerated the revenue that we were expecting to collect. So you cannot have it every which way. The truth is that nobody expected commodity prices to fall as much as they did. But we are responsible and we are continuing to work to fix the mess that Labor left behind.
On a final point, Mr Shorten says he is not only going to deliver a surplus but deliver it sooner than the coalition. Given that he is opposing most of our savings measures, given that he is not able to convince Labor to support their own saving measures and given that he is starting from way behind, I want to hear from Mr Shorten where he is going to cut and where he is going to cut deeper. Where is he going to increase taxes in order to not only deliver a surplus but deliver it sooner? Right now, the Leader of the Opposition, Mr Shorten, not only wants to have his cake and eat it too; he wants to sell the cake that he wants to have and eat. That is something that is just not practically possible. He will have to put his money where his mouth is, sooner or later. In the lead-up to the next election, if he does not support the savings measures that we have put forward in order to get our budget situation back under control, if he does not want to add to the deficit and if he wants to get back to surplus more quickly, he will have to say where he is going to cut and where he is going to increase taxes—in particular, because he is starting from way behind.

The coalition, of course, looks forward to more constructive suggestions in the spirit of the motion put forward by Senators Leyonhjelm and Day. We look forward to productive and positive suggestions by the Labor Party, because, in the end, we are all in this together. We cannot expose future generations of Australians to the lowering of opportunity that would follow from the continuous level of debt and deficit that are the direct result of the spending and debt growth trajectory that Labor has put Australia on. I encourage all Australians to reflect very carefully about the trajectory that we are on at present. We should all be committed to stronger growth and repairing the budget.

Senator KETTER (Queensland) (16:12): I am very pleased to support this general business notice of motion and to take up the Minister for Finance's generous offer to listen and consider some constructive suggestions as to spending priorities. Labor understands that there are tough decisions necessary for every budget. Every developed country around the world has pressures on their budget. With pressures on health budgets and pressures on demographic change, of course that is the case. But budgets are always about priorities and values. Here we have a government which is based on twisted priorities and broken promises. On the one hand they say we can afford to do a range of things but on the other hand they are saying they cannot make the bottom line any better. So there are a number of issues that I would like to draw the Minister for Finance's attention to. Of course, we have some constructive suggestions.

Firstly, let us look at the fact that this government introduced a massive new entitlement scheme in paid parental leave, which is non-means tested, effectively paying millionaires welfare to have children. Secondly, the government is giving tax breaks to high-income earners on superannuation. Thirdly, it is reversing Labor's proposed changes to multinational tax evasion and letting money needlessly flow offshore. Fourthly, it is spending billions on paying polluters through its thoroughly discredited and laughably titled Direct Action scheme. There are four initiatives right there which are making—or would make—the budget bottom line worse, not better. Budgets are about priorities and values. We will have a range of policies at the next election based on our values and priorities, but we will seek a mandate for them—unlike this government, which based its entire election campaign on a series of promises it had no intention of honouring.
Proper reform means bringing the community with you, challenging vested interests and making a case for changing the status quo. Proper reform means not doing a dump-and-run with this budget of broken promises. Proper reform means not just bumping up the nearest regressive tax you can get your hands on, or ramming through new taxes by regulation.

So let us just recap on those broken promises. The quote again, from our now Prime Minister: 'There will be no cuts to education, no cuts to health, no changes to pensions, no change to the GST and no cuts to the ABC or SBS.' And what did we see? We saw, on education, the scrapping of the fifth and sixth years of the previously bipartisan Gonski reforms; on health, $50 billion cut from public hospitals; on pensions, the raising of the pension age to 70, the slashing of their indexation and the cutting of concessions; on the GST, comments yesterday about wanting to broaden the tax and raise the tax. And, as to 'no cuts to the ABC or SBS', we saw a massive backflip last week, crippling an Australian icon.

These cuts will hit Queensland hard, and, as Australia's most decentralised state, the cuts will hit those regions of Queensland outside the capital especially hard. That is all we get from this government; we do not get sensible economic reform and we do not get structural changes that will help long-term budget sustainability. Even worse, many of their alleged reforms are merely cost shifting—robbing Peter to pay Paul.

Local councils in Queensland are being asked to get by on less grant money from the federal government, as Greg Hallam from the Local Government Association of Queensland said in May:

We're deeply concerned that councils in Queensland have had their grants frozen for the next three years. That's around about $200 million over the next three years that won't go to important community projects. For the smaller rural and remote Indigenous councils, they're heavily reliant on these grants. They make up the bulk of their funding. It does come down to projects or staff and this is a tough time going forward.

So there is an improvement to the bottom line, for sure. But the money does not come out of thin air—councils will have to reduce services or raise rates because of this nasty government's dodgy cost shifting.

But let me quote from a Queensland politician on this issue, and we will see if you can guess which progressive figure, someone with an obvious axe to grind against our Prime Minister, this is, and I will inform you at the end of the quote. This figure was quoted as saying:

"You cannot just throw the health and education issues on the states and not give them the money to deal with the problem.
"This will not go away.
"It is not going to be taken lying down and the states and territories will be pursuing this matter."
"This whole thing seems like a wedge to get the states to ask for the GST to be raised," he said.

... ... ...
"The issue is that a fair share of the income tax that Queensland families pay should come back to pay for their hospitals and schools.
"The Federal Government is making the states do the heavy lifting, make the tough decisions in relation to health and education, and they are doing it in a non-transparent and non-upfront way."
So who is this anti-government crusader, this spear thrower for the left? Actually, it was none other than Campbell Newman, LNP Premier of Queensland. With friends like that, who needs enemies?

'And what do the Liberals spend these cuts on?' you might ask. Well, they certainly do not spend them on the regions, as I am sure the National Party would agree.

Let us ask the IMF about this government's spending. I quote from an article in *The Sydney Morning Herald* here:

Australia's most needlessly wasteful spending took place under the John Howard-led Coalition government rather than under the Whitlam, Rudd or Gillard … governments, an international study has found.

The International Monetary Fund examined 200 years of government financial records across 55 leading economies.

It identifies only two periods of Australian "fiscal profligacy" in recent years, both during John Howard's term in office—in 2003 at the start of the mining boom and during his final years in office between 2005 and 2007.

The article continues:

The Rudd government's stimulus spending during the financial crisis doesn't rate as profligate because the measure makes allowance for spending needed to stabilise the economy.

So there you have it: Labor spends to save us from economic recession; the Liberals pay millionaires to have children.

The Treasurer's budget is damaging the economy. This government completely misread the state of the economy when handing down its first budget. The government's first budget smashed confidence. The Westpac-Melbourne Institute index of consumer sentiment is down 13 per cent since the election. Company directors around the country, whose decisions drive the continued growth of our economy, are finding it that bit tougher thanks to this unfair budget. The Australian Institute of Company Directors' November survey of company directors found that almost half of directors are claiming the government's performance is affecting their business decision-making negatively, and the majority of directors believe the federal government's performance is negatively affecting consumer confidence, while around half of directors would rate the government's first year in office as 'poor' or 'very poor'. Directors' sentiment regarding the current federal government's understanding of business has declined, with more directors disagreeing than agreeing that the government understands business.

In just 15 months since the election, Australia's economy has fallen rapidly from eighth to 14th in the world, based on GDP per capita. The government's first budget is making it harder for people to find work. Since the budget, more than 40,000 Australians have joined the jobs queue.

The Liberals have no plan or vision for our future; their only plan is to cut and to put more of the burden on states, councils and ordinary Australians.

**Senator DAY** (South Australia) (16:21): Every teenager, every family, every business and every government in the world that gets into financial difficulties says the same thing: 'If I could just get a little bit more income, I'd be fine.' Well, I am sorry to break the news but it
never works. When you are in financial difficulty and your spending exceeds your income, the only solution is to shrink to viability and then regrow from there.

First, let me say from the outset that I understand the government's predicament. I have been in the government's position. I have experienced industry slumps where the market drops by something like 40 per cent, leading to a 40 per cent drop in revenue. It is painful; it is disruptive. The structures, the systems, the staffing and the resources that have been put in place to handle X level of activity are suddenly confronted with the chill winds of economic reality. The government is experiencing what thousands of business owners experience. Welcome to their world.

Employment levels are falling, our terms of trade are falling, home ownership levels are falling. At the same time, our national debt is rising, interest payments on our debt are rising, government spending on a whole range of areas is also rising. Something has to give. Not only that, pretty soon a person on average ordinary full-time earnings will move into the country's second highest tax bracket. With five levels in our tax system, the idea that someone on average weekly earnings would be on the second highest tax bracket should give serious pause for thought. High tax rates undermine enterprise and destroy the will to work. The prospect of giving up nearly half your earnings leads people to decide that it is simply not worth it. Taxation at these levels starts to produce gross inefficiencies as people stop working as much or as hard as they have been and governments find that taxes are not producing the revenue they expected.

Similarly, many on welfare benefits decline opportunities to work because of the punitive effect small earnings and high tax rates have on the security of their welfare benefits and the value of extra work. People on very low incomes fare worst of all for, as they increase their earnings, higher rates of income tax combined with the loss of means-tested benefits deprive them of up to 80c of every extra dollar they earn. If we are to extricate ourselves from this dysfunctional system, the goodwill of the public needs to be restored by getting tax levels back to something that most people would see as reasonable.

Australia will get nowhere with tax rates like these. Bosses are not ripping off workers, it is the government that is ripping off workers. Senator Leyonhjelm and I have moved this motion today out of concern that when it comes to getting the budget in order, when it comes to relieving the tax burden on Australian families, the government seems to adopt the teenager's plea for more money rather than reducing its spending. The Australian government is simply too big, and has for too long been captive of the discredited Keynesian theory of economics, where governments are looked to for so-called economic leadership to stimulate the economy by injecting money into it. Far from solving the nation's economic problems, they just make them worse. This is because, simply put, governments—that is, politicians and government bureaucrats who make the decisions on these things—do not know enough to make the right decisions. If they did, like Bert Kelly once said, 'They would not be here in Canberra; they would be sitting in the south of France with their feet in a bucket of champagne'. This applies to everything, from trying to solve an alleged global problem with carbon dioxide emissions to the most miniscule local issues that neighbours or communities could very easily sort out themselves.

My home state of South Australia is a classic example of failed Keynesian thinking. The state government there thinks it can spend its way out of an economic slump. It has gambled
South Australian taxpayers' money and lost it, and all South Australia has to show for it is record debt and record deficit. But, as always, Keynesians never, ever admit they are wrong. They are like the gambler who goes to the racetrack or the casino, thinking that if he keeps doubling his bet each time, then eventually he will back a winner and get all his money back. And all that happens is he runs out of money. And there is nothing more certain than the South Australian state government will run out of money.

I co-sponsored this motion today because I started to think very carefully about this topic when the Prime Minister urged the crossbench to think of savings measures if we were inclined to oppose other government measures. At the time the Prime Minister first made that request, I pointed out three easy savings areas. The first is a measure that you heard me outline in my first speech in this place, and I will keep saying it until I am blue in the face and perhaps even after that—that is, allow people to escape from the industrial regulation prison. It gets them off the dole and will improve the budget position by billions of dollars. For every one per cent of people who get off the dole, the government saves $100 million. We spend $145 billion—more than one-third of the budget—on social security and welfare, and that will grow over the next three years to $169 billion or 33 per cent of the budget, subject to what has passed or might pass the Senate since July. We pay these benefits to a cohort of people who could otherwise be working and be financially independent.

The second saving area that I explained to the government is to end the duplication of health and education bureaucracies. Together they comprised $94 billion last year, and are on track to cost $106 billion by 2017-18. These bureaucracies cost and spend billions, yet they do not run a single hospital or a single school. The health and education budget lines in the budget papers are the second and third individual portfolio areas with the largest cost to Commonwealth taxpayers. Yet section 51 of the Constitution makes it clear what federal responsibilities are: foreign affairs, trade, commerce, tax, communications, the military, quarantine, currency, copyright, marriage and family law, pensions and, of course, corporations. There is no mention of hospitals, schools, disability services, pink batts, carbon dioxide emissions or many of the other things that the federal government decides from time to time that it wants to spend our money on. Or, more to the point, borrow money against the common wealth to use taxpayers' money to pay interest on that debt.

Family First strongly believes in federalism and, as such, in having a Commonwealth government that sticks to its own constitutional responsibilities and leaves the rest to the states and territories. If it is not about trade, tax, troops or the family then do not ask us to raise taxes for it and do not ask us to spend on it. Health and education are state responsibilities, so the states should fund them. Those who spend the money should raise the money. At present, the Commonwealth raises the money and the states spend it, and we all know what happens when people spend money raised by someone else.

To go further on this duplication argument, I agree with my colleague Senator Leyonhjelm: there is no need for any government to run a single school. There is sufficient know-how and capacity in our community for schools to be run by non-government bodies. Fund students directly and let their families decide where the student funding is spent. Get out of the business of running schools.

The third saving suggestion I gave in July is a simple question of running things more efficiently by eliminating some of the ridiculous costs of office fit outs and other wastes of
money that we see and hear about all the time in this place. It is $10,000 here and $50,000 there; it all adds up. Not only that, it develops a culture of disregard for the person who worked in a factory, or on a hospital ward, or in a classroom or on the land and their hard earned taxes that pay for it all.

I was elected on a platform of ‘every family: a job and a house’. On housing, I have told the government they can save at least $600 million a year by reducing grants to those states which engage in price-gouging of residential land holdings through their land management corporations. The Commonwealth government could also immediately sell off its own surplus land to address housing affordability. The benefits from the sale of this land would create a multiplier effect: more housing activity, more employment, more income tax raised, more building materials made and sold, more whitegoods and appliances, more soft furnishings and, of course, more GST. I estimate the states are missing out on $2 billion of GST a year due to their own land restriction policies.

On this point of housing, I note the Commonwealth is planning to lift spending on housing from $4.8 billion this year to $5.1 billion in 2017-18. If state governments woke up to the fact that their urban planning policies were based on myth and misinformation, the Commonwealth could save all that money. I defy any state government to substantiate its urban densification and urban consolidation claims. They are wrong; they are misguided. Claims that urban densification is good for the environment, that it stems the loss of agricultural land, that it encourages people onto public transport, that it saves water, that it leads to a reduction in motor vehicle use and that it saves on infrastructure costs for government are false. Urban consolidation and densification is an idea that has failed all over the world, whether it be traffic congestion, air pollution, the destruction of biodiversity or the unsustainable pressure on electricity, water, sewerage or stormwater infrastructure, urban densification has been a disaster.

Urban consolidation is not good for the environment. It does not save water, it does not lead to a reduction in motor vehicle use, it does not result in nicer neighbourhoods, it does not stem the loss of agricultural land and it does not save on infrastructure costs for government and, worst of all, it puts home ownership out of the reach of those on low and middle incomes.

On the jobs front: quite aside from the savings from letting people escape the industrial regulation prison, there are substantial savings to be made in what is called ‘labour market assistance to job seekers and industry’. As we know, some people have become very wealthy in the job seeker assistance market which, in the current budget papers, grows from $1.46 billion to $1.5 billion per annum. Job seekers know where to find jobs on terms and conditions which suit them. But the government will not let them take them. There are massive savings to be made there.

I have also made the point during the recent carbon-farming debate that the $2.5 billion allocated to so-called Direct Action is totally unnecessary. I see no need to repeat my arguments here, but the saving opportunity there is massive and clear. I hasten to add that I agree with Senator Lambie from Tasmania in including hydroelectricity in the renewable energy target. A review of the RET would see a further saving to government to make it reflect far better Australia’s actual renewable energy achievements.
Then there is the ABC. There is definitely a case to be made now for reviewing the scope of public broadcasting. These services were set up in a different era, before private sector—that is non-taxpayer funded—media organisations were developed. It is a very different world now. There are numerous areas where the private sector is ready, willing and able to provide media services but cannot compete with the deep pockets of the public broadcaster. As James Paterson in the *Australian Financial Review* on Wednesday rightly points out:

… the ABC's charter also requires that it "take account of ... the broadcasting services provided by the commercial and community sectors of the Australian broadcasting system", and it's this part of the charter the management has most openly flouted.

Instead, Mr Paterson points out correctly that the ABC has established competitors to a pre-existing 24-hour news service in Sky News and:

… private fact-checking initiatives, such as PolitiFact, …

and, as Mr Paterson calls it:

… the cornucopia of free online opinion when it launched The Drum opinion website in 2009.

The ABC is investing more in these areas where it competes against its charter with commercial enterprises. Conversely, their rural and regional services, including those in my home state of South Australia, exist in an under-serviced market. These services are the true identity of the ABC—covering droughts, floods, bushfires and iconic stories that have defined the Australian national identity. The government should perhaps create a country broadcasting corporation, which only has a charter to cover country areas, and then sell off the ABC.

We also need a national debate on families—family lifestyle choice and caring responsibilities in this nation. We fund childcare—$5.6 billion last financial year, rising to a whopping $8 billion in 2017-18. Yet if you asked most families, one of the parents—mum or dad—would rather stay home and care for their own children or, failing that, one of the grandparents would be very happy to look after those children for nothing, or at a fraction of what childcare costs the taxpayer. Industry assistance—there is no place for industry assistance. If an industry itself wants to create a spending program from its own members it can do that, but there is no role for government in giving taxpayers' money to industries or to certain companies. We South Australians know all too well from experience where all the money went to keep Mitsubishi in our home state—the money went back to Japan, never to be seen again. We have to stop governments from pretending that they know anything about business or which industries might be successful. It fails wherever it is tried—nowhere more obviously than in my home state. Meanwhile, families and communities suffer greatly.

I welcome the government's announcements that it will review the tax system and our Federation. These two items, in tandem, will help us address the problems we have with social needs and the ability of states and territories to raise the revenue needed for their constitutional responsibilities. We debated aged care recently in this place. It is a classic example of where the Commonwealth has stepped in to fund a rapidly growing sector. We need to clarify who is responsible for what and ensure that whoever bears the responsibility has the revenue to do so—not blank cheques in the form of new or higher taxes that can be raised at whim, but revenue to meet the responsible spending needs of government. Not the myriad of wasteful and excessive spending that we see across all levels today. The savings measures I have proposed have merit in their own right, but have further merit as well. Massive spending reductions will help address the Commonwealth public debt interest which
grows and grows from $13.4 billion last year to $17.9 billion in 2017—a $4.5 billion increase in interest payments. Imagine the benefit if we paid no interest on our public debt. Every family—a job and a house. It is what Family First is about. We are a conservative party and we understand the fundamental importance to taxpayers' families and to the national interest of reducing Commonwealth spending.

Senator SINODINOS (New South Wales) (16:41): It is a pleasure to get up in this debate, and I take the opportunity to commend Senators Leyonhjelm and Day for framing the issue in the way that they have. The Senate does have a responsibility to the Australian people to propose and discuss options to cut government spending. I would go further and say that we have, as an institution, a responsibility to assess the overall macro level of government spending and its economic impact. While it is open to senators to vote for or against individual spending measures, every time we reject such savings measures we make the task of getting the budget into shape that much harder, and it potentially results in more tax debt and deficits.

I would like perhaps dispel some misperceptions about the coalition. We are not the enemy of appropriately targeted public spending. This is not an exercise where we seek to reduce public spending to zero—that is not what this is all about. We believe in providing the resources necessary for the peace, order and good government of the country—along the lines that Senator Day referred to when he talked about the constitutional responsibilities of the Commonwealth. That includes a sound legal framework to underpin the property rights that provide confidence in the operation of our market system. We believe in a strong social safety net for those who cannot look after themselves, and I believe there is sufficient compassion on all sides of politics to be able to assess who genuinely needs looking after and who does not. We believe in government as a catalyst in some circumstances for infrastructure and for desirable social ends that markets cannot provide because we are a complex society and there are private activities that can have social costs and benefits. And governments, as the ultimate democratic expression of our society, have the responsibility to address those desirable social costs and benefits.

But we do not believe in public spending as a substitute for what we can do for ourselves, or a spending burden that results in unfair, inefficient and unnecessarily high taxes. Let me build on something that Senator Day said. Government spending is not a free lunch. There is an opportunity cost—if I can introduce an economic term into this hallowed chamber—in terms of the output that we forgo through the taxes that we have to levy to pay for that spending or the debt that we incur. That debt, of course, leads to higher taxes on future generations. This is the nub of it—the money comes from somewhere. The aim always should be to minimise the economic cost of providing such spending. As a small, open economy—we are one of the largest economies in the world, we are in the G20, but we are relatively small—we cannot accumulate too much debt.

It is inappropriate for us to think that, if Europe can get to certain debt levels, that gives us plenty of headroom and we can just keep growing the debt. As we see in Europe, the costs of dealing with that debt escalate as it gets larger. The people who pay the price for that—to return to Senator Bilyk's interjection—are ultimately the poor and those most vulnerable in the community. That is the tragedy of what is happening in Europe. The tragedy in Europe is that there is a lost generation of young people locked out of the labour market through various
rigidities in that labour market. The budget spending that has occurred in Europe has not saved their jobs but has led to increased debt. My forebears come from a country which has been at the forefront of the economic adjustment in that process where GDP has fallen below where it was before the global financial crisis and is still to exceed those levels. That is the tragedy when you allow these issues to get out of control, so we cannot be complacent.

Just hark back to 2007 and the Howard-Costello legacy of surpluses which served us well during the global financial crisis. It gave us a shock absorber which actually made it easier to deal with the global financial crisis. It gave confidence to the community. We must always be ready for a rainy day with a strong savings culture. I was in Singapore a couple of weeks ago and a strong savings culture has given them the capacity to determine their own economic fate and to punch way above their economic weight and, Senator Di Natale, to afford all sorts of social goods, because you can afford them when you are economically strong and you have control of your own economic destiny.

We recognise, as a coalition and as a government, that the budget balance will be affected by, and influences, the state of the economy. Our spending and tax changes have been calibrated to support economic growth, and the stance of fiscal policy is taken into account by the Reserve Bank in its interest rate settings. So, when we go too hard and too fast on spending we can actually make the job of the Reserve Bank harder, not easier. When we had to deal with the Asian financial crisis in 1997 and 1998 it was largely dealt with through the market system, the exchange rate and the flexibility which had been built into the economy over the 20 years before that. That is how we dealt with it—not by having a huge splurge of spending or by raising rates to defend the currency, as some people were suggesting. We let the currency go and we counselled the Reserve Bank accordingly, and that helped the economy adjust.

Do not underestimate the adjustment mechanisms in the economy. Do not think that it has to be just up to public spending to provide that adjustment. There will be circumstances, such as in the initial phases of the global financial crisis, where measures were necessary to restore confidence because we did not know what we were dealing with. We did not know the impact of capital markets freezing overnight. That is a different world to the world that we are now in in the sense that we must look at the state of the budget in the context of where the Australian economy is now and where the Australian economy is going.

On coming to government the coalition took on the challenge of transitioning our economy from a strong reliance on record levels of mining investment. Two to three per cent of GDP mining investment traditionally, historically, went up to something like eight per cent of GDP—a huge jump. We are transitioning from that to be empowered by growth in the non-mining parts of the economy. That transition was never going to be smooth or seamless. The budget must play its role in transferring resources to new, more productive activities and to promoting structural reforms in the structure and competitiveness of our markets that will lift of potential rate of growth. If we lift our potential rate of growth, if we grow from a trend rate of growth of, let's say, 3¼ to four per cent we can run the economy harder without igniting more inflation. Higher economic growth brings with it more jobs and lower unemployment payments. Tony Blair, when he was Prime Minister of Great Britain said that fairness in the workplace starts with the prospect of a job. That is the best welfare system—creating a strong
economy that creates jobs, and looking after, through the social security system, those that cannot look after themselves.

On coming to government we were briefed by the Treasury on the situation we faced with the terms of trade. We cannot rely, as we have been doing for the last few years, on continuously increasing terms of trade. National income and budget revenue is now being depressed by falling terms of trade. It has whipped around. Export prices were going up relative to import prices for quite a while over the last few years, now it has flipped and it is going the other way. Commodity prices continue to ease. We have seen, in recent times, iron ore prices going down, which is depressing growth in national income, which feeds through to budget revenue. We have had a 22 per cent fall in the terms of trade from its peak, as my good friend Senator Cormann mentioned, in 2011 to June 2014 with falls since then. The answer to that is not to say that because the terms of trade are against us it is getting harder to do things on the budget, the answer is to say that, if we are to achieve the same average growth in our national output per capita and our national income, we need to double our productivity growth in the period ahead.

Senator Day is looking sceptical. We need measures to double the rate of productivity growth. That is an arithmetic certainty. We may do it or we may not do it, but what we are talking about is the challenge to falling terms of trade. The challenge to raising our national income over the next few years is to raise our productivity. We need a more competitive, less regulated and more innovative economy if we are to get sustained growth in productivity.

According to the Parliamentary Budget Office in a report released yesterday on their analysis of how sensitive the budget is to various parameters, a fall to one per cent in annual productivity growth would lower our GDP, our national output, by 1.1 per cent in a decade.

Net debt would be five per cent higher. So you are talking about net debt going to $15 billion, $30 billion at least and the interest payment consequences of that. We need, in these circumstances, to be increasing our productivity. That means that when we look at the budget, the budget has got to make its contribution to that productivity task. The budget priority should reflect this productivity imperative as well as the demographic imperative that we face, because over the medium term we need more workers to offset the ageing of the population. With respect to the point that Senator Day made, whether it is about the labour market or about the rules around labour force participation, we need older workers to stay longer in work by tackling the economic and social barriers, which can include, of course, discrimination against older workers—and as I get older, I am becoming more sensitive to that—and we need to get more women back into the workforce, because our rate of labour-force participation by women is below the OECD averages. We need to do more to encourage more women back into the workforce.

Some people do not like our paid parental leave plan, but that is Tony Abbott's response to that major imperative. Ultimately, it will also include measures which will make it easier for women coming back into the workforce to keep more of their income when they are in work. Because what happens is, because of our tax and transfer system, the benefits you lose when you go back into work mean that often if you are the second income earner in a household you are penalised when you try and go back to work, and too much of your income is taken by a combination of tax and the withdrawal of benefits.
We also need to keep working on creating more entry-level jobs and more training opportunities to get young people on the ladder of opportunity. This was alluded to by Senator Day in his contribution, and I also quote the President of the Business Council of Australia—and she is now the Chairwoman of Telstra as well—Catherine Livingstone, who said that the great tragedy of Europe, as I alluded to earlier, is the loss of jobs for young people, because if they do not get on the ladder of opportunity early, that affects their income prospects and career prospects for the rest of their lives. So this is an imperative. What I am saying is that the structure of the budget, the priorities we put into the budget, have to reflect, as we have sought to do, those measures that encourage greater labour force participation. For me these are fairness as well have efficiency measures, because they spread economic opportunity through the community.

Senator Day mentioned this earlier in the day, and I was happy that he took it up in his contribution this afternoon. We talk about more spending being a recipe for higher taxes, but where does that leave us when it comes to issues like bracket creep? The opposition have opposed $28 billion of potential savings, including over $5 billion that they themselves had proposed. Based on the spending measures that we put into the 2014-15 budget, which incorporated these particular savings, the government has built in future tax relief through an assumed tax cap of 23.9 per cent of GDP, which was the average tax ratio of 2001 to 2008.

Senator Conroy: So you are increasing taxes.

Senator SINODINOS: No, we are cutting taxes if we can get our spending cuts through, because we are seeking to reduce the bracket creep that would otherwise be there if your opposition spending measure—

The ACTING DEPUTY PRESIDENT (Senator Lines): Order please!

Senator Conroy interjecting—

The ACTING DEPUTY PRESIDENT: Senator Conroy!

Senator SINODINOS: Through you, Madam Acting Deputy President: the opposition of some in this chamber to spending measures means taxes are going to be higher than they would otherwise be, because we have budgeted to reduce bracket creep in the years ahead.

The tax cut that we have incorporated into our budget projections will relieve low- and middle-income earners from bracket creep as inflation pushes workers into higher tax brackets. Those higher taxes reduce the incentives to work, to save and invest. While I am on the topic of tax, let me deal with this issue about tax during the Howard years. The tax cuts during the Howard years were not a waste. The tax cuts during the Howard years were all about improving the incentives to work, to save and to invest. And the Treasury, year after year, when those tax cuts were being provided, measured the impact on labour force participation of those reforms. And they were reforms. We took the opportunity to cut tax where we could. I am disappointed, in a sense, that we did not get more opportunity to do that.

When we talk about tax reform and returning bracket creep, we are not talking about the big end of town. We are talking about our fellow Australians, about the people who largely pay tax, who are the wage and salary earners, who are the decent backbone of the country and who may want to work a few more hours, but they realise that over the next few years—as was alluded to in question time by Senator Cormann in response to a question—the average
tax rate would be going up over the next few years for middle-income earners. So it is the people up there; it is the people in the gallery. It does not matter about us and the salaries we are on, but it is you up there. You pay the price when there is too much government spending. You know that because your taxes go up. Your taxes are feeding that. We want to cut your taxes—

The ACTING DEPUTY PRESIDENT: Senator Sinodinos, through the chair please. I have given you a fair leeway. Please address your remarks through the chair. Thank you.

Senator SINODINOS: Madam Acting Deputy President, the exuberance of being in your presence caused me to look over there, but I apologise.

The ACTING DEPUTY PRESIDENT: Just obey the rules and we will all be happy.

Senator Conroy interjecting—

The ACTING DEPUTY PRESIDENT: Senator Conroy, thank you.

Senator SINODINOS: May I conclude by again commending Senators Day and Leyonhjelm for taking the initiative to bring this debate on. We have had an opportunity—and this includes the contribution by Senator Ketter and others—to kick some of the ideas around in a way that we do not normally do. And that is very important. If one of the benefits of having crossbenchers in this chamber is that it will force both sides of politics to engage more seriously in explaining the rationale for the measures that we seek to take, that will be to the benefit not only of this chamber but also of the Australian people.

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (16:58): I rise to speak on this notice of motion that reads ‘that the Senate acknowledges that it has a responsibility to propose and discuss options to cut government spending.’ Can I just say: it is really lovely to hear from Senator Sinodinos again. We have missed his dulcet tones on this side. He has been quiet for a very long time over there, so welcome back to the fray, Senator Sinodinos. I do not always agree with what you say but it is nice to hear you—

Senator Conroy: Have a quality contribution.

Senator BILYK: That is right: to have a quality contribution and to hear your quality contribution from over there.

It is very important that we bring this motion on for debate, because what we have opposite is a government whose priorities are all wrong. This government's budget strategy is a shambles. This arrogant and out-of-touch government is trying to tell the Senate, and trying to convince the Australian people, that its cruel and unfair budget is some bitter economic pill that everybody needs to swallow; that there are no options but to cut pensions, cut income support for job seekers and families, cut the schoolkids bonus, cut health care and education to the tune of $80 billion, cut ABC and SBS, cut tax concessions for small business and raise taxes for low-income superannuants; and that there is no option but to charge a $7 GP tax every time you visit your doctor. Well, that might be on the cards; it might be off the cards. We could not get a clear answer in question time about that today, so we are not sure where that is going. But I doubt that it has been buried forever. We all know that the $7 GP tax was one which all the evidence has shown would lead to more illness and chronic disease and cost the health system more in the long run. And the Treasurer tries to justify this government's unfair petrol tax, which will see motorists pay another $19 billion more for petrol over the next decade. And what was his claim? That poor people do not drive cars! Wow. The truth is
that the poorest 20 per cent of households in Australia spend three times the proportion of their income on petrol that the wealthiest 20 per cent spend.

I agree with Senator Sinodinos that the money needs to come from somewhere. What I do not agree with is that it should be Australia's poorest and most vulnerable who should shoulder the load. While the government is telling ordinary Australians they need to tighten their belts, this same government is giving a tax break to billionaire miners, to big polluters and to people with million-dollar superannuation balances. And, as if this government's priorities were not sick and twisted enough, it wants to spend a massive $20 billion on a paid parental leave scheme that gives $50,000 to millionaires.

So of course the Senate has a responsibility to propose and discuss options to cut government spending, because this government's inflexible head-in-the-sand take-it-or-leave-it approach shows that it is blind to the clear options in front of it—options such as giving tax concessions to small business instead of tax breaks to billionaire miners; options such as restoring the low-income superannuation contribution for 3.6 million Australian workers instead of cutting it to fund a tax break for Australia's wealthiest superannuants; options such as investing in health promotion, prevention and early intervention instead of cutting hospitals and taxing access to primary health care; and options such as investing in services instead of providing profligate wage subsidies to millionaire mums.

There is no better reason for the government to revisit its budget strategy than the damage it has done to the Australian economy. Morgan Stanley has issued a damning assessment of the Abbott government, warning:

The alarmist Budget narrative has damaged animal spirits and the consumer's willingness to dip into high savings, thus missing the opportunity for animal spirits to springboard from the strong housing cycle.

Morgan Stanley has estimated that economic growth will fall below two per cent and that unemployment will reach almost seven per cent next year. Morgan Stanley's report shows that not only is the Abbott government's budget cruel and unfair; it is also damaging to Australia's economy.

The government has launched an attack on household budgets at a time when consumer confidence needs to be strong. This is demonstrated by the Westpac-Melbourne Institute index of consumer sentiment, which has dropped 13 per cent since the 2013 federal election. In fact, in just 15 months, the Australian economy has fallen from eighth place to 14th place in the world based on per capita gross domestic product. We have a government that promised to create one million new jobs in five years and two million jobs in 10 years.

**Senator Conroy:** Geniuses!

**The ACTING DEPUTY PRESIDENT (Senator Williams):** Senator Conroy, interjections are disorderly. I hope you learn that soon.

**Senator BILYK:** I am happy to accept them, Senator Conroy, even though they are disorderly.

**The ACTING DEPUTY PRESIDENT:** I am not.

**Senator BILYK:** Instead, 40,000 Australians have joined the jobs queue since the budget, and young people are finding it more and more difficult to find work than at any time since the 1990s.
The Liberal Party like to regard themselves as the party of business, but let us have a look at what business thinks of this government's economic performance so far. The Australian Institute of Company Directors' November survey of company directors found that almost half of directors are claiming the government's performance is affecting their business decision making negatively. The majority of directors believe the government's performance is negatively affecting consumer confidence, while around half of directors would rate the government's first year in office as 'poor' or 'very poor'. Director sentiment has declined by 7.1 points since the last survey, to continue a downward trend since the election in the second half of 2013. Directors have become more pessimistic about the future health of the Australian economy. For the first time in the survey's history, sentiment has become negative regarding the ASX All Ordinaries index, with more directors expecting a fall in the index than expecting a rise. Directors' sentiment regarding the government's understanding of business has declined, with more directors disagreeing than agreeing that the government understands business. A majority of directors claim the abolition of the carbon tax has not affected their business. Thirty-five per cent of directors believe the level of red tape has increased in the last 12 months, while more than a quarter of directors expect an increase in the coming year.

There is definitely a role for the Senate to propose and discuss options for spending cuts, because, when it comes to making decisions about savings, this government needs all the help it can get. After all, despite all this government's rhetoric about Labor's record, it should recognise that we made $250 billion in savings. We made those savings without gutting health and education in the way that this government proposes to do. We did it without taxing people who visit the doctor or forcing young job seekers to go six months without income.

Those opposite constantly accuse us of being obstructionist, of not being willing to play a constructive role. But this is absolute hypocrisy from a government which doubled the deficit immediately after coming to office and continues to engage in waste and throwing money away, while forcing Australia's most vulnerable and disadvantaged to pick up the tab. If you want to see examples of this waste, I will just give you a few. Let us consider the $117,000 that the Minister for Immigration and Border Protection and his assistant minister paid for media analysis, transcription and clipping services. Let us consider the $45,000 the Minister for Industry paid for an international meeting of industry ministers in a luxury Mexican resort, supposedly connected to the G20 which was held in Brisbane thousands of miles away. How about the $80,000 that the government spent on rent for an unused ministerial office for the stood-aside Assistant Treasurer? And there are plenty of much bigger examples such as the $8 billion gift they gave to the Reserve Bank, against the advice of their own Treasury department. If they wanted to say 'Happy Christmas' to the Reserve Bank, surely a Christmas card would have done?

There is no better example of wasteful spending than the government's $20 billion paid parental leave scheme, which gives $50,000 per child to millionaires and which the Productivity Commission said would have 'few incremental benefits'.

If this government wants constructive suggestions about alternative savings measures to their cruel and unfair budget, Labor has plenty. But this government needs to stop using economic arguments to take away money from the poor and the vulnerable and to treat those less well-off as commodities that can be put on the scrap heap. How anyone could ever
believe that you could live on six months with no salary is absolutely beyond me. It is one of the worst polices I have heard of in my whole life—and I am over half a century old.

Senator DI NATALE (Victoria) (17:08): I do not disagree with the proposition that the Senate has a responsibility to propose and discuss options to cut government spending—and I will get onto that in a moment. I think it is the wrong question. There is a question that come before that, and it is: what is the purpose of government spending; what is it that we expect from our governments; what is it that the community expects from governments; and how best do we as a community fund those services that people expect?

When we look at how we collect and distribute revenue for services like health and education, law enforcements, and ensuring that we have got roads and public transport, there is an understanding—and we can talk about this in more detail—that those services are best funded collectively. The question presupposes that we should be implementing cuts to government spending simply for the sake of it. It does not help us tease out: what is the purpose of government spending? What is it that we should be doing with that revenue?

The notion that we should be simply cutting government spending for the sake of cutting it is an ideological belief. It is no different from any religious, faith-based assertion. The idea that we should be aspiring to small government, low taxes and low government spending is no different to any other religious or fundamentalist belief. It is not based on evidence; it is an aspiration based on an ideological world view. I am quite happy to talk about the proposition around cuts to government spending but I think we need to tease out why we are having this debate right now.

I understand that on some issues I will, for example, agree with my colleague Senator Leyonhjelm. But this proposition that the aspiration of any government should simply be to reduce government spending for the sake of it is not based on science. For somebody who is trained in a scientific discipline, I like looking at the evidence for some of these assertions.

I am not for increased government spending or reduced government spending; I am for government spending that achieves the aims we want to achieve. I am not for big government or small government; I just want good government. I am not for high or low taxes; we need to recognise that taxation is part of the price we pay for civilised society. We need to collect it fairly, and distribute it fairly and efficiently.

Europe is a good example—and I heard Senator Sinodinos talk about Europe—because in some countries there is wasteful government spending; he is absolutely right about his country of origin, no question about it, and it needs to be reduced. Some European countries have large public sector spending where rates of economic growth have been over and above many other European countries with much lower public sector spending.

The size of government, the size of taxation and the size of government spending has got no correlation to economic growth or how prosperous and wealthy a society is. What is much more likely to correlate with economic growth and achieving quality of life as a consequence of that is whether there is good government spending.

The idea that Australia sits somewhere near the top when it comes to government debt and expenditure is a fabrication. I was fortunate enough to chair the inquiry into the Commission of Audit where we heard from a range of academics, businesspeople and union representatives. We heard time and time again that we are relatively efficient by world
standards in terms of taxation. We have lower than average taxation by OECD standards. Government spending is again lower than average by OECD standards, and the debt crisis is a fabrication.

The evidence does not back up the idea that we should be cutting government spending simply for the sake of it. What does the community want? What is it that the community seeks from government? This government is in so much trouble, because it is completely out of sync with where the community sits on this issue. The community wants the government to spend, but it wants it in the areas that they think are important. Medicare is a good example of that. We had a debate about the way health care should be funded through the 1970s and 1980s and the consensus emerged that we believed that collectively pooling our individual revenue to fund universal health care was a fair way of ensuring that everybody got access to good medical care.

What is interesting about that is it is actually a very efficient way of funding health care as well. It marries those two sometimes competing objectives of equity and fairness and economic efficiency. You only need to look at comparable health systems to see that having universal coverage funded through progressive taxation is a very efficient mechanism for funding the delivery of health care. The government is in trouble with its proposed co-payment proposal because the community recognise that what we have got is precious, works well and should not be tampered with.

Let us look at the National Disability Insurance Scheme. What was most interesting about that for me was that that was funded through a proposal to increase the Medicare levy. There was no debate about it, there was no controversy about it, there was bipartisanship and the community were pleased that we had a government and an opposition who recognised that it was important that those people with disabilities got access to the appropriate supports and they were prepared to increase the level of taxation that they pay to fund it. Similarly, when you ask people about the Greens' proposal for universal dental coverage so dental care is funded through Medicare in the same way as health care is funded, the community say they would be prepared to pay an increased Medicare levy to fund it.

So this ideological view that we have to cut government spending simply for the sake of it is out of step with where mainstream public opinion is, and the government are paying for it at the moment. The government are suffering so badly in terms of their perception within the Australian community because the Australian community do not buy that argument. It is not backed up by the evidence and it is certainly not backed up by mainstream public opinion. That is part of the reason we are having this manufactured debate around an artificial debt crisis. If you do not create fear and panic around the state of the nation's finances then the community just simply will not come at the idea that we have to attack health, education, public broadcasters, income support and so on. They just will not come at that. That is not to say that I do not believe that some people on the other side have convinced themselves that we in fact do have a debt crisis. That is just natural human psychology—you found an opinion based on nothing other than a belief rather than based on evidence and you look for a way to rationalise that, and the rationalisation that they have given themselves is this idea that Australia is facing some sort of debt crisis.

We do have some challenges. I do not deny that for a moment. We have some long-term challenges we need to meet. We have some challenges around productivity. Senator
Sinodinos again articulated the productivity challenge that confronts us. Of course we have to deal with that, but the way to deal with that is not by slashing investment in education, not by slashing investment in research and development and not by slashing investment in science. If we do think that we do indeed have a productivity challenge to deal with, rather than look for again an ideological view that it is all about labour market flexibility let us look at it investing in those things—in our human capital—to ensure we are placed through this century to be able to meet that productivity challenge.

Of course we have an ageing population and a number of other things that we have to deal with. When you look at it in that context of course part of the equation is to look at government spending and look at where we are wasting some of the revenue we collect from the Australian community and see if there are savings that can be made there. It is for that reason that the Greens do have a range of proposals to reduce government spending.

When you look at the tax expenditures that Australia gives to a range of industries, we in fact have one of the highest rates anywhere in the world. With those tax expenditures—or tax concessions, as they are sometimes referred to—we rank right up near the top of the list when it comes to the money we give to a range of industries and sectors, so why don't we start there. We provide concessions in the order of $10 billion over the forward estimates to the fossil fuel industries. We have this ridiculous handout that goes to mining industries in the form of the diesel fuel rebate—cheap petrol. When the price of petrol goes up we all pay for it—but not those in the mining industry; they get a whopping big tax concession that allows them to pay less for their diesel.

There are other areas we could be looking at as well. Superannuation is one. We provide enormous superannuation tax concessions that disproportionately favour the wealthiest people in our community. Superannuation was designed to try to relieve the pressure on our welfare system, on effectively the government's ability to be able to pay a pension for people once they hit a certain age. The tax concessions we currently provide, particularly to high-income earners, do not serve that purpose. They effectively serve as an investment vehicle for people on higher incomes, and that is not what they were designed to do. So there is an area where there are rich pickings. Let us have a look at superannuation tax concessions and whether there are some opportunities to reduce government spending in that area.

There are other areas in the property market. Negative gearing may be another thing the government chooses to look at. Negative gearing basically allows property to become an investment vehicle, again largely for people on higher incomes. What is the purpose of that tax concession? Some people argue it is necessary in order to drive investment in the housing market

If we were serious about that we would be restricting negative gearing to new properties in order to drive housing construction, but that is not how the current system works. So we have one area of government spending—perhaps an area of government spending that Senator Day is not inclined to support—that is a form of tax expenditure and it should be looked at alongside many of the other areas of government spending that have been discussed.

It is not just government spending that we should be looking at. Why not look at the issue of revenue as well? We have some enormous opportunities. If we are to meet some of those challenges in terms of providing the services the people want we could be looking at areas of revenue—for example, a decent mining tax. Why on earth would we have this debate about
cutting government spending and have a government prepared to look at introducing so-called price signals in health, when at the same time the government has effectively cut a source of revenue that most of the Australian community thought was fair and would have worked? It would have brought in income, over time, to a hugely profitable industry.

There are other opportunities as well, such as a levy on the big four banks. We guarantee—we effectively underwrite—our banks so that, should they face a challenge through something like another financial crisis, it is the taxpayer that underwrites their security. The banks are not responsible for paying, in any way, for that guarantee that we as taxpayers provide them. Why not have a very modest levy, in effect in return for the government underwriting the security of our big four banks?

I do not shy away at all from a debate on government spending. I think it is imperative that each of us here in this place takes a responsible look at areas of waste and mismanagement and ensures that collected hard-earned taxpayer revenue is used wisely. Of course we should be doing that, but let’s not talk about cutting government spending for the sake of cutting government spending, because if we are going to do that we might as well have a debate about fairies in the sky or about any other area that is not based on reason or evidence.

The evidence is very clear. Government spending, in and of itself, can be a good thing or a bad thing. The aim of this place is to ensure that we maximise the public good and we minimise those harms associated with the collection of revenue when it is unnecessary and wasteful. For those reasons the Greens have put forward some sensible proposals to cut government spending alongside some revenue measures that will allow us to pay for the sort of society that each of us wants—one where health care is delivered in a fair and equitable way, where you can access a doctor regardless of whether you are unlucky enough to have been born in the wrong postcode, whether you can get a decent education and whether you live in a regional community or in the middle of a city, whether you are down on your luck and are unable to find a job, and knowing that you will be supported by other members of the Australian community. That is the sort of society that most us want to live in.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (17:26): Firstly, this afternoon I would like to commend Senator Leyonhjelm and Senator Day on their motion. When we see such a practical and sensible motion being brought forward to the Senate it is important that we recognise that that has been done.

The motion that we are discussing today is that 'the Senate acknowledges that it has a responsibility to propose and discuss options to cut government spending'. What a common sense and sensible motion being brought forward to the Senate it is important that we recognise that that has been done.

The motion that we are discussing today is that the Senate acknowledges that it has a responsibility to propose and discuss options to cut government spending. What a common sense and sensible motion to bring forward to the Senate this afternoon! There is absolutely no doubt that that is something that needs to be done. And the Australian people understand that.

For the future of our nation we need to cut government spending. It is simple. People out there in the community understand this because they look at their own lives—they look at what they are doing in their own communities—and when they look at their own household budgets they know that if they do not keep their spending to a level that allows them to appropriately move forward through their lives they are going to go backwards—they are going to go out the door. They know that. They understand that it takes work to balance a
household budget—that you cannot always do just what you want to do. You actually have to put thought into how that is going to work. They understand it. People out there in small businesses—I know Senator Ruston would understand this very well—understand that they have to balance the books. They understand that they cannot spend more than they earn. They understand that they have to manage their businesses appropriately so that they can be sustainable. People out there in those communities right across Australia understand that. It is a shame that the previous, Labor government—and indeed Labor governments before them—simply did not understand that you have to balance the books and that you cannot spend more than you earn. They do not understand that you cannot borrow—and keep borrowing and borrowing—and expect that you are going to have a financially sustainable future. It is simply not possible. Those on the other side of the chamber do not understand that.

The reason it is so important that we debate this today is that it affects the future of the nation. We only have to look at the current financial figures to know what a difficult financial situation we are in and why it is important for this coalition government to take the difficult, necessary steps to ensure that we get some financial sustainability into the economy.

The previous, Labor government left this coalition government with a projected trajectory of debt to $667 billion—not millions; $667 billion! That figure is almost too big for people out there in our communities to comprehend; it is just a number. But it is a trajectory that this government would not allow to continue. We cannot allow our children and our children's children to be saddled with debt of around $25,000 a year each. We cannot allow them to be saddled with debt. This coalition government will not do that.

We are not going to do that to the future generations of this nation because it is not right. The previous Labor government might have been prepared to do that but this coalition government is not. And the interest we are paying on that debt is money that the government does not have, to allow us to do the things the Australian people are asking us to do. We are paying over $1 billion monthly in interest—over $1 billion a month! When I look at the people who come to me every day, and I know who go to you as well Acting Deputy President Williams, talking about their local communities, wanting to get things in place which they see as benefiting their local communities, we have to say no because there is no money, that we are paying $1 billion a month interest on the bill racked up by the previous Labor government. That is what we have to tell them.

When we on this side of the chamber look at those figures, we realise what a difficult task is ahead. We are paying $38 million a day, $1.6 million of hour, $27,000 a minute and $450 a second in interest on the previous Labor government's debt. And people wonder why the government is having to make tough decisions. That is exactly why—because we are going to be responsible and sensible, to ensure that this government gets this nation back on the financial track on which it needs to be.

What was it like previously under our coalition government? How did we leave the state of the finances for the previous Labor government? There was zero debt, none, and not only that, there were $50 billion in the bank. In six short years, the Labor Party managed in government to leave us the trajectory to a debt of $667 billion. It is no wonder people out in the community say, ‘How was that even possible? How do they manage to do that?’ It is because Labor simply have no ability whatsoever to manage the nation's finances.
There is a track record of it, too. In 1996, when the coalition came to government the debt we had to repay was $96 billion. It took us 10 hard years to pay off that debt. Here we see it again—it is a pattern of behaviour. When coalition governments come in, we have to clean up Labor messes, to make sure we do everything we can to get the nation back on an economically sustainable footing. And we will do that.

How did we get to this point? We got to this economic mess through the previous Labor government's waste and mismanagement. We only have to look at a list of the types of things the previous Labor government was prepared to spend money on that got us into this mess, things that actually did not do any good for the nation. They borrowed money, spent money and applied it to things that did not do anything good for the nation. This is only some of the list. Under Labor we saw—who can forget these?—Fuelwatch and GroceryWatch, nearly $30 million spent setting them up and then what? They were dumped. They introduced—this one I am sure people will remember—a $429 million 'cash for clunkers' program. That was ditched by the previous Labor government. There was the Home Insulation Program, the pink batts, $2½ billion dollars mismanaged. Computers in schools was a $1.4 billion blow-out. The next one I think really encapsulates the level of mismanagement that we saw from the previous Labor government. As many senators would know, we used to have some billiard tables in this building. The previous Labor government sold them to $6,000, but then what happened? The previous Labor government decided to spend $102,000 determining whether or not they got value for money. Those are the types of actions we saw from the previous Labor government. That type of waste and mismanagement by the previous Labor government has led us to the economic circumstances we are in today. The solar panels program was an $815 million blow-out. The set-top box program—at an average of $350 a home but Harvey Norman was offering the same deal for $168. They simply had no idea how to manage the nation's finances, how to get the country on a sustainable financial trajectory. That has left us in this economic mess.

This motion is so important today because the Senate has a responsibility to ensure that this government, elected by the Australian people to clean up the mess we were left by the previous government, can put in place what we need to ensure economic sustainability and part of that is cutting spending. As I said when I started, the Australian people understand that because they do it every day. We expect them to balance their budgets. We expect them to manage their livelihoods and they do. There is no bucket of money under Parliament House, as we all know. All of the dollars we spend are so much attributed to hardworking Australian taxpayers' dollars. The previous Labor government might have been quite happy to fritter that away but this coalition government is not.

When we look at all this waste and mismanagement, we see that so much of it is sheeted home to the former failed finance minister. On Senator Wong's watch as finance minister, government net debt tripled. Net debt was $42 billion in 2009-10 and rose to $153 billion in 2012-13. Labor's debt interest bill rose from $4 billion in 2009-10 to $12 billion in 2013—$12 billion! That was all on the former failed finance minister Senator Wong's watch.

We are having to fix up the previous Labor government's economic mess and that means from time to time this government has to take hard decisions. We are not going to govern the way the previous Labor government did—in a populist way, doing policy on the run, getting
appalling outcomes for the Australian people, with absolutely no view to the nation's future. We are not going to fritter away money as did the previous Labor government.

I turn to when Senator Wong was in a slightly different role as climate change minister. Some of the decisions that the then minister, Senator Wong, took when it came to water were quite breathtaking. You would understand this very well, Mr Acting Deputy President Williams. Bear in mind that we are talking about taxpayers' dollars. We are talking about hardworking Australian taxpayers' dollars. What did we see the former failed finance minister and the former failed climate change minister spend money on? You would assume that it would be things that would take the nation forward. Let me just give you a couple of examples. In the first one that I will refer to from under Senator Wong's watch, she spent $300 million—a third of a billion dollars—buying back water from Twynam Pastoral. The only thing was that the water licences that she bought were either general or supplementary. As those who understand water know, as I know you do, Mr Acting Deputy President Williams, along with my good colleagues behind me, Senator Canavan and Senator McKenzie, water is not always available. She was buying water for the environment that was not actually going to be there when she needed it. A third of a billion dollars! And people wonder why we are in the economic mess that we are. And it went on. When we look at the mismanagement, it continued.

Senator Wong, in her role looking after climate change, water and the environment, and those sort of things, also spent $34 million on a property called Tandou. The interesting thing was, in terms of the water licence that she bought with $34 million of taxpayers' money, it was for supplementary water to go to the environment, as the minister at the time said. Supplementary water only exists in a flood. Thirty-four million dollars wasted for water that did not even exist. Senator Wong, the minister at the time, purchased a property called Toorale out near Bourke. You may well remember this one, Mr Acting Deputy President Williams. Nearly $24 million was spent on purchasing this property by Senator Wong, the minister at the time, to go towards the environment. The really interesting is: did the minister at the time, Senator Wong, go and have a look at Toorale? No, she did not. You would automatically assume, wouldn't you, that somebody from the department or somebody from her office would have gone and had a look. Not a single person went to have a look at that property.

Senator Canavan interjecting—

Senator NASH: I will take that interjection, Senator Canavan. No, I do not think they even spoke to a real estate agent, but I stand to be corrected. The minister at the time, Senator Wong, spent $23.7 million on a property that neither she, her office or the department went to have a look at. As if that is not bad enough, unfortunately for Senator Wong, it was incredibly overvalued.

Senator Back interjecting—

Senator Back: No, it wasn't!

Senator NASH: It was, indeed, Senator Back. I will take that interjection. It was overvalued. What would have been funny if it was not so sad was that the people out there in the community were laughing themselves silly. Senator Wong was a joke; she was a joke. They knew that the government had spent all of this taxpayer money on a property that they
had paid way too much for. She could have sold a Wet'n'Wild and she would not have even known; nobody went to have a look. That is indicative of how the previous Labor government operated when it came to the future financial situation in this country. That is what they did. That is how they operated.

It is no wonder that people around this country look at the performance of the previous Labor government and shake their heads. When it comes to financial management, the previous Labor government had absolutely no idea. They had six years to show the Australian people that they could manage the nation's finances. They had six years to show the Australian people that they had a vision for the future and that they did have a plan to ensure the future prosperity of the nation, and they failed. The Australian people recognised that. That is why they put the coalition government in—to fix Labor's economic mess, to have a government that would look to the future, to have a government that would take the tough decisions to ensure that our children, our grandchildren and their children have a strong and prosperous future in this nation, because that is what we all want. Unfortunately, it is just not something that the Labor Party can deliver. And we know—

Senator McKenzie: It is not in their DNA.

Senator NASH: I will take that interjection. Thank you, Senator McKenzie. It is not in their DNA, because we have seen it happen time and time again. On this side of the chamber we know what we have to do to ensure a sustainable and prosperous future. We know that it is not always going to be easy. We know we are going to have to take hard decisions and we know we are going to have to do what Senator Leyonhjelm and Senator Day are proposing today, which is to consider cutting government spending. We have to do it; we have to do it because it is the responsible thing to do. It is the responsible thing for any government to do—to look at the future, to make sure that we are living within our means, to make sure that we have those policies in place that are going to ensure long-term prosperity when it comes to health, education, the environment and agriculture. There is so much that agriculture has to offer in terms of our long-term prosperity, but that will have to be a speech for another day.

We understand that on this side of the chamber. The coalition government is absolutely prepared to take the tough decisions to make sure that we have a prosperous nation not only for us but, as I said, for our children and for their children as well, because it is our responsibility to do that. It is our responsibility to get it right. We will make those tough decisions. It is not always going to be easy and it is not always going to be popular, but it is going to be the right thing to do. We all sit in this place and we know that those on the other side had their six years; they had their chance to prove that they could do it; they had their chance to prove that we could see from them some plan for the future. They had their chance—and they blew it. They had their chance and they failed. And now this coalition government has to fix the previous Labor government's mess. And we will do that. As I said, it is not always going to be easy; it is not always going to be popular. But I would say to the Australian people: always, always keep in mind that the coalition government will do this for the right reasons. The difficult decisions will be taken for the right reasons, and the right reasons are: ensuring that we have those policies in place to give our children and our grandchildren a prosperous future in this nation.

Senator KIM CARR (Victoria) (17:45): The question before the chamber at the moment is:
That the Senate acknowledges that it has a responsibility to propose and discuss options to cut government spending.

The proposition of course is one that all governments at some point or another in their time do have to consider. But there are many others that have to be considered as well in that context, and the concern that I have about such a statement is of course that it misrepresents the complexities of the way in which public finances have to be administered, and it underplays the importance that parliament has in terms of maintaining public confidence in the direction of the country.

It is one thing to talk about responsible economic management, and all governments of course do use that frame, but it is another thing entirely to go to an election and tell a pack of lies—to go to an election and say: 'We can undertake certain courses of action without cutting the budget.' That is exactly what this government has done. It went to the last election and explicitly said that, whatever programs it had, there would be no cuts to education, there would be no cuts to health and there would be no cuts to the ABC, and a range of other commitments were made. Apart from the fact that governments that do that sort of thing invariably get caught out as being liars—

**Senator Back interjecting—**

**Senator KIM CARR:** There is no doubt about it—there is just absolutely no doubt about what this government has done: it has betrayed the Australian people, and the betrayal is real enough. But there is a more fundamental problem, and that is that, within this country—and I think this is common in many other countries as well, so it is not just confined to this country—there is a drop in public confidence in the authority of government, of the state; there is an undermining of the legitimacy of the democratic process; there is a capacity to turn people away from the political process itself. That, to me, undermines some fundamental democratic principles. It undermines the capacity of governments to actually talk to people about issues that are facing the country. It undermines the capacity of politicians to be trusted.

This Prime Minister we have now, Mr Abbott, made a great virtue of the issue of trust, in the last parliament. It was a central point in his assault upon the previous Labor government. And there were some very, very derogatory things said about the leadership of the last Labor government.

**Senator Birmingham:** Which one?

**Senator KIM CARR:** Well, it would not really matter, because you were quite indiscriminate when it came to your approach, and quite indiscriminate in your assault upon the integrity of Prime Minister Gillard and of Prime Minister Rudd—it did not really matter to you; you made a similar point.

**Senator Birmingham interjecting—**

**Senator KIM CARR:** Well, you took the view—

**Government senators interjecting—**

**The ACTING DEPUTY PRESIDENT (Senator Williams):** Order on my right!

**Senator KIM CARR:** that anything goes; you took the view that it did not matter, so you could then go to an election and say, 'Trust us: we will not have any cuts to education, we will not have any cuts to health and we will not have any cuts to the ABC.' This is a government
that is now characterised by its capacity to even lie about its lies. So the question of the
democratic deficit that arises in these circumstances—

Senator Canavan: Mr Acting Deputy President, I rise on a point of order on relevance.
The question, I believe, before the Senate is about government expenditure, and nothing in the
last minute or so related to that—

The ACTING DEPUTY PRESIDENT: Senator Canavan, there is no point of order. We
have had wide terms in many of these debates. Continue, Senator Carr.

Senator KIM CARR: So this is a government that is now characterised by its duplicity,
by the web of deceit that runs right through this government—a government that went to the
election and said that there would be no cuts to education, no cuts to health, no cuts to the
ABC—

Government senators interjecting—

The ACTING DEPUTY PRESIDENT: Order on my right!

Senator KIM CARR: So what do we find? In my particular areas of direct responsibility,
we see the cuts to education: $5.8 billion—

Senator McKenzie interjecting—

The ACTING DEPUTY PRESIDENT: Senator McKenzie!

Senator KIM CARR: $5.8 billion to higher education and university research; nearly $3
billion in terms of the attempts to impose crippling debts on students, through increasing real
rates of interest; $1.9 billion in reductions to government course subsidies; $200 million in
cuts to the indexation arrangements for universities; $172 million in cuts to the promotion and
reward funding for students from low socioeconomic backgrounds; $173 million in cuts to the
training of Australian research students; $75 million in cuts to the Australian Research
Council; and $31 million in cuts to the regulator.

And we now have a situation where a government wishes to give universities the right to
print debt. It will mean a lifetime of debt, and a situation where the $100,000 degree will be
commonplace in this country. It will mean a situation where people will be denied—

Senator McKenzie interjecting—

The ACTING DEPUTY PRESIDENT: Order! Senator Carr, resume your seat, please.

Senator McKenzie interjecting—

The ACTING DEPUTY PRESIDENT: Order! Senator McKenzie, interjections are
disorderly, and you are not even in your seat—in fact, you are in my seat, where interjections
rarely, if ever, come from! So I ask you, on my right, to be quiet, please. Continue, Senator
Carr.

Senator KIM CARR: You see the government does not like to hear this, but this is the
truth. This is a government that is characterised by its lies and its deceit, a government that is
characterised by the duplicity—

The ACTING DEPUTY PRESIDENT: Senator McKenzie, you have a point of order?

Senator McKenzie: Senator Carr is actually misleading the Senate with his claims that
$100,000 degrees will be all over—
Senator Bilyk: Ask Tas Uni!

Senator McKenzie: That is not the case. The Regional Universities Network put out a statement today stating—

The ACTING DEPUTY PRESIDENT: Senator McKenzie, there is no point of order. Continue, Senator Carr.

Senator KIM CARR: The prospect of $100,000 degrees will be widespread in this country if the sycophants from the National Party get their way!

The ACTING DEPUTY PRESIDENT: Senator McKenzie, you have a point of order?

Senator McKenzie: On behalf of the three Nats in the chamber, we thoroughly reject—

The ACTING DEPUTY PRESIDENT: The point of order?

Senator McKenzie: The point of order is: I would like Senator Carr to withdraw his statement that the National Party are sycophants.

The ACTING DEPUTY PRESIDENT: There is no point of order, Senator McKenzie. Continue, Senator Carr.

Senator KIM CARR: Thank you, Mr Acting Deputy President. We do know that the doormats in that corner are only too happy to go along with any device—

The ACTING DEPUTY PRESIDENT: Senator McKenzie, on a point of order?

Senator McKenzie: Well, I would like Senator Carr, if he is not going to withdraw his claim of 'sycophant' against the National Party, to withdraw calling the National Party 'doormats'.

The ACTING DEPUTY PRESIDENT: There is no point of order.

Senator KIM CARR: Just this week I watched a program on the ABC that talked about the once great Country Party and people like Mr Sinclair. It showed many Nationals who actually stood up for rural and regional Australia, but not this crew now. They are sycophants, they are doormats, they are obsessed with brownnosing their way into ministerial office. They will do whatever they can, but they will not stand up for rural and regional students. They will not stand up to stop $100,000 degrees being imposed in this country.

The ACTING DEPUTY PRESIDENT: Point of order, Senator Nash?

Senator Nash: You may have been distracted, but can I have your ruling on the fact that the phrase 'brownnosing' may not be parliamentary?

Senator Back: Make a decision, Acting Deputy President; it is not parliamentary. I am sure Senator Carr would be happy to withdraw it.

The ACTING DEPUTY PRESIDENT: In fact—

Honourable senators interjecting—

The ACTING DEPUTY PRESIDENT: Order! In fact, I was talking to the clerk and I did not hear it, I am sorry.

Senator Nash: If I could assist: the senator clearly used the phrase 'brownnosing'. I am keen to get your ruling on whether or not that phrase is unparliamentary. And if you do rule it as unparliamentary, I would ask you to ask the senator to withdraw.
The ACTING DEPUTY PRESIDENT: Senator Carr, would you like to rephrase that, or did you indeed say that?

Senator KIM CARR: I will. What we have are obsequious, supine and absolutely craven groups of people who refuse to defend rural and regional students and who have allowed, as a result of the duplicity of this government, a process where $100,000 degrees will be imposed upon students in rural and regional areas, and where cuts of up to $5.8 billion will be imposed upon universities and university students.

We know the great tradition of this country is a commitment to a fair go and the idea that if you are bright enough and you work hard, then you can get a quality education. But under this government rural and regional students in particular will be denied that opportunity. And the cowardly behaviour of the National Party, the unbelievably supine attitude of the National Party, highlights the point that regional and rural students in this country will be seriously undermined in their capacity to enjoy the great Australian gift of a fair go. So $100,000 degrees will be common; crippling debts will be the order of the day. There is a $5.8 billion cut to the university system, in complete contrast to what the Prime Minister said before the last election.

There is a real issue of trust here. We cannot trust the National Party to defend the interests of rural and regional students. We cannot possibly imagine the circumstances under this current regime where the National Party will stand up to ensure that courses will not be closed in rural areas, that campuses will not be closed. In fact, I would suggest to you there may well be universities themselves that will face acute pressure and may well be faced with crippling circumstances. We have already seen the Auditor-General in Victoria pointing out the consequences of the failed policies we have seen in that state, where budget cuts have led to the extraordinary destruction of public education through the TAFE system. We know the circumstances here: a government that went to the election making clear, unequivocal promises that there would be no cuts to education, no cuts to health, no cuts to the ABC then brought in one of the most draconian budgets this country has ever seen.

We know these are the circumstances. We know that in the industry department similar sets of actions have followed whereby the government has sought to undermine jobs by destroying the automotive industry. It now seeks to take $900 million out of the Automotive Transformation Scheme. We see in a state like Victoria that up to 90,000 jobs are at risk as a result of a government that has been founded on lies. This is a government that has found itself caught out for the lies that it has told, the deceptions that it has sought to prosecute. This is a government that has lost the trust of the Australian people, and I trust on Saturday its relatives in Victoria will lose the trust of the Victorian people. We will see the debate in this country emerge about what are the prospects of government change because this is the real issue here: if you defy people's trust, it is inevitable that as the political cycle improves or in fact speeds up, then there are circumstances where governments may well be only around for one term. This is a government led by 'oncers'. This is a government that has lost the confidence of the people of this country because it has told so many lies about what it was going to do when it got into office. It has betrayed the Australian people's trust by cutting the budget, doing enormous damage to the economy— (Time expired)

Debate interrupted.
Thursday, 27 November 2014

SENATE

CHAMBER

DOCUMENTS

National Blood Authority

Senator BACK (Western Australia) (18:00): I move:

That the Senate take note of the document.

Time will not permit me to speak fully, but I do want to draw the attention of the chamber to the diseases of haemophilia—haemophilia A and haemophilia B.

Before doing so, I just wish to record quickly, if I can, my absolute sympathy to the Hughes family at the loss of their son and brother, Philip, this afternoon. I know everybody in Australia would share that emotion. Our thoughts can only go out to his family and to those associated with him.

It does bring to my mind the shocking disease of haemophilia. It is a chronic genetic disorder caused by having a defective or a deficient blood-clotting factor. I make the point, and I will not long dwell on it, because after many years there is in fact a new long-acting treatment for both haemophilia A and haemophilia B that has come onto the market in our country. Indeed, both of them have now been approved by the Therapeutic Goods Administration but they are not yet funded for use.

We are not talking about large numbers: 2½ thousand people have haemophilia A and about 600 have haemophilia B—mainly boys and men. But, of course, what a tragic and devastating disease it is. Those who do not have any understanding of it might care to read the book April Fools' Day, written by Bryce Courtenay years ago, about his son, who was a haemophiliac and who died on 1 April.

I make the point with regard to the National Blood Authority because for one of the outcomes—outcome 1, in fact—the key performance indicator and the objective is the secure supply of blood and blood products. At the conclusion, I will seek to continue my remarks because this matter requires a lot more attention, except to say now that it rests with the National Blood Authority in the next few weeks and months to make a decision about funding for the new long-acting treatments for haemophilia A and B.

I seek leave to continue my remarks.

Leave granted; debate adjourned.

Professional Services Review

Senator BACK (Western Australia) (18:03): I move:

That the Senate take note of the document.

I want to place on record my appreciation to the director of the Professional Services Review, Dr Bill Coote, a man I have known for very many years and for whom I have the highest respect.

Again, in the very few minutes available to me, it is worth reflecting on the improvements in this services review, as outlined in its annual report. But I do want to draw attention to the 80/20 rule, and that is that immediately when a medical practitioner or a GP has 80 or more clinical attendances in more than 20 days of the year they are—and I am quoting here—'automatically deemed to have engaged in inappropriate practice', except if they can demonstrate exceptional circumstances.
Many of us associated with rural and regional parts of Australia would know that quite often there is only the one doctor in an area and if there is an epidemic or if there is an outbreak of influenza or whatever, we would certainly find that they would see up to 80 patients or more in 20 days or more of the year. In his report to the parliament, Dr Coote does talk about some instances of quite clear abuse: somebody who was only in Australia for seven months who, in the 5½ months that they were seeing patients, managed to provide services to 4,000 patients 9,000 times—all in five months! Clearly, this was an aberration.

But I do want to draw attention, very briefly, to the work undertaken in Western Australia by a medical practitioner, Dr George O'Neill, and his colleagues. They work with the implant naltrexone against addiction. This is an anti-addictive treatment regime, not only for amphetamines but for opiates and, indeed, even for nicotine and alcohol.

I visited his clinic not long ago in the company of somebody from here in Canberra. I spoke to him and I spoke to patients. These are people with long-term addictions. The contrast between the use of naltrexone and something like methadone is the fact that methadone itself is just an opiate. In fact, I said to one of Dr O'Neill's long-term patients, 'Did you ever try methadone?' He said, 'Yes, I did. It was no good to me; all it was doing was giving me another addictive drug.' The thing about naltrexone is that it acts on completely different centres of the brain and does have an anti-addictive effect in the sense that it does control these shocking addictions—amphetamine, ice and the other chemicals that I have mentioned recently.

Because others, no doubt, want to speak on other questions, I will not continue the debate except to say that at some time I will take the opportunity to speak further, as indeed will Senator Bilyk.

I seek leave to continue my remarks.

Leave granted; debate adjourned.

National Mental Health Commission

Senator McLUCAS (Queensland) (18:07): I move:

That the Senate take note of the document.

I have to say I was probably looking at other issues, but it gives me an opportunity given that we can take note of the National Mental Health Commission report of 2013-14 to alert the Senate to a concern that I have had as shadow minister for mental health for a while, which is that the government is conducting, through the National Mental Health Commission, a review of mental health services in our country, and I have been calling for greater transparency in this process.

To put this in context, the National Mental Health Commission was established under the Labor government and it is a very well-regarded organisation. Whilst it maintains its independence it is now a part of the Department of Health. They have been charged and tasked by the government—I question whether this is the most appropriate entity—to undertake an inquiry into mental health services in the government. I do not question the government's right, once they have come into government, to undertake an inquiry of an area of policy that they need to have a good look at. That is a good and proper thing, and it is quite fine. What I am concerned about is the way that this inquiry has occurred.
First of all, the submissions to the inquiry other than those individual submissions have not been published, and the answer to that is because 'we did not ask people if we could publish them'. If you said that to a Senate inquiry, senators would go berserk. Of course people should publish a submission to an inquiry. People need to know what other people are saying about the issue at hand. But, secondly, there have been two interim reports to the inquiry—an audit of Commonwealth-funded mental health services in the country, which was a report to government in February of this year; and then in June of this year there was a second interim report provided to government, which was an audit of state-funded and territory-funded services, so the government could make some decisions about them. Neither of those reports has been published, and that is of great concern to the mental health sector. It is a great concern that things are being said about the sector that people cannot truth-test. What are these reports saying?

I want to make it really clear that I have great faith in the commission, but what we need for such an important inquiry is transparency. People need to know what other people are saying. People need to be able to engage in a bigger conversation. That is why I have moved in this place that those reports be made public.

**The ACTING DEPUTY PRESIDENT:** Thank you, Senator McLucas, your time has expired.

**Senator McLUCAS:** I seek leave to continue my remarks later.

Leave granted; debate adjourned.

**DOCUMENTS**

**Consideration**

The following orders of the day relating to government documents were considered:

- Australian Charities and Not-for-profits Commission (ACNC)—Report for 2013-14. Motion of Senator Siewert to take note of document called on. On the motion of Senator Bilyk the debate was adjourned till Thursday at general business.

- Department of Education—Report for 2013-14, including the report of Tuition Protection Service. Motion to take note of document moved by Senator Bilyk. Debate adjourned till Thursday at general business, Senator Bilyk in continuation.


National Health Funding Pool—Report for 2013-14, including financial statements for state and territory State Pool Accounts. Motion to take note of document moved by Senator Bilyk. Debate adjourned till Thursday at general business, Senator Bilyk in continuation.


Orders of the day nos 8 and 9 relating to government documents were called on but no motion was moved.
Committees
Australia's Food Processing Sector Committee
Report

Debate resumed on the motion:
That the Senate take note of the report.

Senator McKENZIE (Victoria) (18:12): I rise tonight to speak on the report from the Senate Select Committee on Australia’s Food Processing Sector, for which the government’s response was handed down this week. As a representative of rural and regional Australia, it was a pleasure to work on this select committee with Senator Colbeck, Senator Xenophon, and others, where we travelled around Australia getting data, while in opposition, on the food processing sector right across Australia, but particularly, I think, for my home state of Victoria—the food processing capital of the nation.

I welcome this government’s response to promote the food processing sector. The report was tabled in 2012, with 35 recommendations, which the coalition, in opposition, found to be crucial to reducing the costs and red tape, to stimulating investment in the food processing sector, and to dealing with some of the issues that the sector as a whole had identified—food labelling laws, education and skill sets, research, competition law et cetera, and indeed the impact of the carbon tax on this particular sector.

It is 12 months since we have came into government, and of the 35 recommendations of this report the government has noted all 35 of them. Importantly, we are a government of action and we have actually started dealing with many of these recommendations. We are not only dealing with them but putting them into action. I want to speak about that a little bit tonight.

In my home state of Victoria, the food processing sector is critical to our economy. It has turned over $25.4 billion and employs more than 133,000 people across the value chain. We export to over 100 countries worldwide. Employment in the food product manufacturing sector has defied the general decline in manufacturing employment in Australia. Whilst employment in manufacturing as a whole has decreased by 7.7 per cent over the five years to August 2014, employment in food product manufacturing has increased by 3.1 per cent, and Victoria accounts for 24 per cent of the gross value of the Australian food and beverage industry. It is because this sector is important that we have been proactive in introducing reforms and fulfilling the recommendations that were put forward.

I echo the comments in the government’s response to this report that the Australian government has commenced implementing a number of election commitments to boost business competitiveness, as well as to assist the food processing industry. As I mentioned earlier, getting rid of the carbon tax was this government’s pre-eminent response to assisting the food processing industry to remain competitive and to be able to grow, particularly when you think that the majority of workers in the food processing industry are actually working in rural and regional Australia, underpinning the local economies of our towns and regional cities.

I think this is incredibly important, when you look at what Gary Dawson, CEO of the Australian Food and Grocery Council, stated about the carbon tax:
"One of the things we found with the impact of the carbon tax was that because food processing is such a trade-exposed sector, processing companies had very little or no capacity to pass through those increased costs to the retailer and therefore to the consumer," he said.

"So it went straight to the bottom line of the company and had a direct impact on the viability and profitability of the company.

Do you know what that means? That means less money for people to employ people. It means less jobs in regional Australia. That was the outcome of those opposite's grand carbon tax plan.

The second thing that we dealt with within the food processing inquiry was competition policy, and we made recommendations around recommendation 4. The committee recommended that the government initiate an independent review on the competition provisions of the Competition and Consumer Act, recommending that we should take into particular consideration the misuse of market power, creeping acquisitions, predatory pricing and unconscionable conduct.

We also went on to look at the role of an ombudsman in managing the relationships that exist within the food processing supply chain, and these are key to our government's response. We have initiated, under Minister Billson, a review, the Harper review, of the Competition and Consumer Act which is dealing with those precise issues. It is seeking feedback from farmers groups, from food and grocery councils, from consumer groups and from small businesses to ensure that our Competition and Consumer Act is a 21st century document that deals with the reality of market power and of how it is used and sometimes abused within the context of our domestic economy. I am very proud of a minister that has taken those recommendations by the horns and is dealing with that through the Harper review, and I look forward to the continuing outcome of that particular process.

But we are not alone in our moves, as a federal government, to improve the food processing sector. In my home state of Victoria, the coalition government has seen Victoria's food and fibre exports increase from $7.3 billion to a record $11.4 billion this financial year, an increase of 56 per cent. There were 77 trade missions to 33 countries which support over 3,000 Victorian businesses, developing a $100 million Food to Asia Action Plan and a $6.2 million international engagement strategy.

Where the former federal government failed in promoting trade, the state coalition government of Victoria has been exceptional under its agriculture minister, Peter Walsh, its regional development minister, Peter Ryan, and its Premier, Denis Napthine. The three, as a triumvirate, have been unrelenting in their promotion of our food and fibre industry and in their promotion of our state not only domestically but right throughout the world, leading super trade missions. I sit on the Joint Standing Committee on Foreign Affairs, Defence and Trade, and right now we are conducting an inquiry into the potential for a trade agreement with gulf nations. But from what we are hearing through submissions, everyone we talk to talks about the superior approach of the Victorian government when it comes to promoting their local product in an international market.

Hats off to the state coalition government for promoting the great state of agriculture, Victoria. The Victorian government has just announced a $48 million dairy investment in Pactum Dairy, creating 52 new full-time jobs in Shepparton. Similarly, at Australian Lamb in Colac the state government has announced a $2.35 million plate freezer investment to boost
exports, creating 25 new jobs. Hardwick's Meat stage 1 boning room and cold storage expansion, another project announced by the state coalition government, includes a $1.5 million investment, generating 50 new jobs. It is projects like these that ensure our food processing industry continues to thrive, and I welcome the commitment from the recent government response.

I similarly congratulate Premier Denis Napthine, Deputy Premier Peter Ryan and the Victorian Minister for Agriculture and Food Security, Peter Walsh, for their ongoing efforts in improving the food processing sector. I want to stress to the people of Victoria that the food processing sector is such an important industry to a state economy, and this current state government is committed to further investment. It is only a state coalition government that will deliver that investment and those jobs directly into regional Victoria—directly into Colac and directly into the heart of the food processing in my state in Shepparton.

Just while I am on Shepparton, I want to recognise the two days that we had in Shepparton whilst we were conducting our inquiry. Shepparton is in the seat of Murray—the former 'Black Jack' seat—where I know our current candidate, Greg Barr, is running hard and supporting the local food processing industry and is very welcoming of this state coalition government's continued investment into jobs and food manufacturing in central Victoria. It is part of my state, as a Victorian senator.

We heard from Fruit Growers Victoria, Greenham and the Greater Shepparton City Council. We had the Australian Dairy Industry Council. What a great fortnight it has been for dairy. Thank you, Minister Robb. We heard from Hazeldene's Chicken Farm, looking at poultry and growing a variety of food production and at being able to process them in regional Victoria. Getting them to market and to port is another important goal, and the state coalition government is committed to ensuring the East West Link will provide a transport network that will ensure the great clean, green product that is being grown and processed in Victoria will be able to get onto that port, get out of that dock and get to the markets that are waiting for it right around the world, thanks to the super trade missions of the state coalition government. Vote 1 coalition this Saturday.

Question agreed to.

**DOCUMENTS**

**Consideration**

The following orders of the day relating to committee reports and government responses were considered:

Australia’s Food Processing Sector—Select Committee—Report—Inquiry into Australia’s food processing sector—Government response. Motion of Senator O’Sullivan to take note of document debated and agreed to.

Treaties—Joint Standing Committee—145th report—Treaties tabled on 26 August and 2 September 2014. Motion of the chair of the committee (Senator Fawcett) to take note of report agreed to.

Corporations and Financial Services—Joint Statutory Committee—Statutory oversight of the Australian Securities and Investment Commission, the Takeovers Panel and the corporations legislation—Report no. 1 of 44th Parliament. Motion of the chair of the committee (Senator Fawcett) to take note of report agreed to.
Legal and Constitutional Affairs Legislation Committee—Exposure draft of the Medical Services (Dying with Dignity) Bill 2014—Report. Motion of the chair of the committee (Senator Macdonald) to take note of report agreed to.


Environment and Communications References Committee—Report—Tasmanian Wilderness World Heritage Area—Government response. Motion of Senator Bilyk to take note of document agreed to.

Education, Employment and Workplace Relations References Committee—Report—Higher education and skills training to support agriculture and agribusiness in Australia—Government response. Motion of Senator Carr to take note of document agreed to.

Environment and Communications Legislation Committee—Performance, importance and role of Australia Post in Australian communities and its operations in relation to licensed post offices—Final report. Motion of the chair of the committee (Senator Ruston) to take note of report agreed to.


Economics References Committee—Future of Australia’s naval shipbuilding industry: Tender process for the navy’s new supply ships (part 1)—Report. Motion of the chair of the committee (Senator Dastyari) to take note of report agreed to.

National Broadband Network—Select Committee—Interim report—Government response. Motion of Senator Ludlam to take note of document agreed to.

Community Affairs References Committee—Out-of-pocket costs in Australian healthcare—Interim and final reports. Motion of Senator Di Natale to take note of report agreed to.

School Funding—Select Committee—Equity and excellence in Australian schools—Report. Motion of the chair of the committee (Senator Collins) to take note of report agreed to.

Education and Employment References Committee—Government’s approach to re-establishing the Australian Building and Construction Commission—Report. Motion of the chair of the committee (Senator Lines) to take note of report agreed to.

**ADJOURNMENT**

The PRESIDENT (18:22): I propose the question:

That the Senate do now adjourn.

**Indigenous Affairs**

Senator LINES (Western Australia) (18:22): I rise to speak about the decision by the Barnett government to close a significant number of homeland communities in Western Australia. Mr Barnett has been forced to do that by the withdrawal by the Abbott government, as part of its harsh cruel budget cuts, of funding that had been provided over 50 years.

Western Australia has one of the highest numbers of homeland communities in the country. Aboriginal people living on homeland communities in Western Australia are caught in the crossfire between the Abbott and Barnett governments as they shunt responsibility for who funds the municipal services in these communities. I draw the parallel that, if there were an issue with municipal services in a small country town, I doubt very much that the first response of governments would be to move people out and shut their houses down. In a white
community we would not be standing here and saying, 'Because we are now withdrawing funding for municipal services, we are going to shut your town down.' But in that is exactly what Premier Barnett has said to those communities. Without consultation, he has said, 'We're just going to shut you down because we don't want to fund your municipal services.' Despite the fact that municipal services are funded in very small regional and rural communities right across Western Australia, they do not want to do it for these communities. Why do they get away with it? Because Aboriginal people, by and large, still remain voiceless in our country.

Both the Abbott government and the Barnett government have an appalling record when it comes to government spending. The Barnett government has wasted millions of public money on a hospital it has failed to open, which is 18 months overdue, with an amount of $118 million paid to the private for-profit operator before the hospital even opened. Imagine if the homeland communities got the bonus of being able to invest $118 million. The Abbott government says everyone has to be part of its harsh, cruel budget and share the pain. But that is not true; it still wants to continue with its paid parental leave scheme for the wealthy.

Last week we had the Productivity Commission report, which shows little improvement in key areas of Aboriginal disadvantage. But that does not stop the Abbott government from ripping millions of dollars from homeland communities in Western Australia, which, according to Premier Barnett, means that over half of those communities are now under threat of closure.

The Barnett has copped criticism over this announcement, and rightly so. My Labor colleagues caught him out when they visited those homeland communities. Premier Barnett, with his he-knows-best attitude, did not bother to visit. But Ben Wyatt and Josie Farrer did visit. A growing body of academic research over the past 30 years has indicated that life at homelands—'outstations' might be a better word—in health outcomes, livelihoods, social cohesion and housing conditions has been worse than in larger communities. Pat Dodson, a Yawuru man and a well-respected Aboriginal leader, came out this week and said it as it really when he said we would create an internal group of displaced persons. He said:

You'd have displaced Aboriginal people from their homeland communities or their traditional country, relocated ... on to lands and into places that are not necessarily country that they identify with or have an affiliation [with] ... and to be mixed among peoples who they may or may not have good or lasting relationships with.

He went on to say:

There's some kind of assumption that by a process of osmosis, people will be absorbed into the mainstream of Western-life ...

Even the Barnett government has it confused. The Premier said communities with less than five people living in them were on his target list. At the very same time, his Minister for Aboriginal Affairs in the Legislative Council was saying something quite different. He was saying that it was absolutely nonsensical that communities with five people or less would be closed. So here we have the biggest bungle we have seen which will impact on the lives of Aboriginal people if the Abbott and Barnett governments do not get their acts together. I am saying that Aboriginal people need to be treated like every other Australian and that either the Abbott government or the Barnett government needs to put the municipal services in place and respect the rights of Aboriginal people.
I rise tonight to speak about the failure of the government and the failure of the self-proclaimed Prime Minister for Aboriginal Affairs to properly address the disadvantage in Aboriginal communities. The government have ripped over half a billion dollars in funding out of Aboriginal and Torres Strait Islander programs, they have failed to include justice targets in the Closing the Gap strategy and they stand silent on the proposed closures of remote communities in my home state of Western Australia.

The Indigenous Advancement Strategy started as a complete mess and has continued in that way. I have been extremely concerned about the process of the Indigenous Advancement Strategy ever since it was announced. I have asked many questions in estimates to try and find out how the process would operate, how it was put in place, who was consulted and how the granting process was continuing. The announcement earlier this week that the government needed to extend the period for funding applications for the IAS was an inevitable outcome of the flawed process. Community organisations and service providers have been deeply concerned by the new funding application process implemented under the advancement strategy. The combination of cutting so many programs, the tight time frames and the application process changes has put a lot of pressure on organisations, as has been shown by the large number of applications, the quality of the applications and the fact that many organisations have even not applied. Even more concerning is the unwillingness of some organisations to speak out about the government for fear that their funding would be affected and they would not get their funding application through the process.

Given the flaws in this process that we have seen, it is inevitable that the government would be faced with the choice of either extending the funding application process or seeing vital service providers close their doors. While this extension from the government is important, it is only a last-minute reprieve for a short time in that organisations have no certainty of what happens after that.

Organisations and programs that are relying on this process play an essential role in communities and in people's lives. They deserve to be treated with more respect than this process has shown them. They have staffing and resources allocation that are extremely important where decisions have to be made and these are all under a cloud of uncertainty that this government has created.

The government needs to rethink this process urgently and develop a process that delivers vital community driven services and supports. Nobody disputes the importance of ensuring that funding is linked to outcomes that genuinely help Aboriginal and Torres Strait Islander peoples. But this process has failed. There was no assessment of the effectiveness of the previous programs or what did or did not work. It was simply an efficiency cut, put across the board.

The Prime Minister needs reminding how important it is that we get this right. He need look no further than the Productivity Commission's report Overcoming indigenous disadvantage. The report shows that self-harm, chronic disease, alcohol abuse and disability are all significant areas where the gap has not been closed. Cutting funding from Aboriginal and Torres Strait Islander programs will only compound these problems.
There must be an end to the policies that come from the top down and on which Aboriginal and Torres Strait Islander communities have not had a say in developing. This has been no more clearly illustrated than just today by Dr Howard Bath, the Northern Territory Children's Commissioner, where he talked about school attendance and the need for community ownership and community driven programs.

If we are going to make significant progress in closing the gap we need to invest, not cut programs, as the government has done with this year's budget—for example, cuts to legal aid, the family violence program and the language program. These are all programs that the Aboriginal and Torres Strait Islander Social Justice Commissioner, Mr Mick Gooda, has highlighted in his social justice report that has in fact been tabled today. He points out many of the problems that are faced as a result of the government's budget and the problems with the Indigenous Advancement Strategy.

I will leave the last words in this speech to the social justice commissioner, who has articulated in his just released report his concerns over the budget and the lack of community engagement, by quoting what he said:

Overall, this upheaval and lack of clarity is deeply worrying and is causing widespread uncertainty and stress, particularly among our communities.

I could not put it better than that.

**Cystic Fibrosis**

**Senator URQUHART** (Tasmania—Deputy Opposition Whip in the Senate) (18:32): Tonight I rise to speak about cystic fibrosis, which is a subject that I have spoken about a lot in this place. It is the most common life-threatening, recessive and genetic condition affecting young people in Australia.

It is a terrible disease that causes a thick, sticky mucus to form within the lungs, airways and digestive system. The mucus impairs the digestive functions of the pancreas and traps bacteria in the lungs, resulting in recurrent infections and irreversible damage.

From birth, a person with cystic fibrosis undergoes constant medical treatments and physiotherapy, often for hours a day. For well over a year, the cystic fibrosis community in Australia has been lobbying the government to conclude negotiations with pharmaceutical company Vertex and to list the drug Kalydeco on the Pharmaceutical Benefits Scheme.

Medical experts consider Kalydeco to be the most important development in the treatment of CF since the discovery of the CF gene in 1989. The treatment, scientifically known as VX-770, corrects the genetic mutation for around five per cent of people with CF in Australia, which is around 200 people.

It works by turning off the genetic defect that causes cystic fibrosis, allowing the body to break down and drain mucus into the lungs and digestive system. What is exciting about VX-770 is its potential future combination with partner drug, VX-809.

When used together, these two drugs could assist around 94 per cent of people with CF, around 33,000 people worldwide. Therefore the two treatments, VX-770 alone, and VX-770 plus VX-809, could correct the genetic mutation for almost 90 per cent of people with CF. And there is further research in the pipeline.
Kalydeco costs around $300,000 a year and only a small number of Australians have had access to Vertex's compassionate access program. But, finally, last month, the government announced that Kalydeco was to be listed on the PBS. From next week, the drug will be available for all CF patients with the G551D mutation, aged six years and older, for as long as needed.

These Australians will finally join the 90 per cent of eligible patients outside Australia who already have access to Kalydeco. Critically, the minister's office have informed me that if eligible sufferers have difficulty gaining or maintaining access to Kalydeco, then he wants to know and will find a solution.

So I encourage the CF Australia community to take up this opportunity from the minister. If there are concerns or difficulties with access, get in touch with him. However, from your lobbying efforts over the past year, I am confident that any concerns will quickly be raised.

In May this year I co-hosted two events in Parliament House for Cystic Fibrosis Australia, to highlight the need for Kalydeco to be listed on the PBS. The visit brought people with CF and their families face to face with politicians. Stories were shared of the struggles of caring for someone with CF, while those who were on the compassionate access program shared the benefits to their life from taking Kalydeco. For example, Genevieve, from South Australia, shared the fact that she now spends less than five minutes a day on treatment, compared to over two hours a day before taking the drug. Her lung capacity is recovering, she is able to concentrate on her studies and she is no longer just planning for five years ahead but for her lifetime. The listing of Kalydeco on the PBS now gives opportunities to hundreds of other young Australians to plan for their life, not just for five years.

I congratulate all of the people with CF, and their families, who have lobbied for the PBS listing of Kalydeco. Congratulations to Michelle Skinner, at Cystic Fibrosis Australia, and your team that continues to do such tremendous work in every state and territory. It is my hope that when the next drug combination comes to the PBAC the work undertaken to list Kalydeco will ensure a more truncated negotiation, because every day a CF sufferer is without treatment is another day of irreversible damage to their lungs and other vital organs and another day that they are not participating fully in their community. I urge people with CF and their families to use this experience as an inspiration. Your persistence and courage has paid off and will pay off in future. I urge you to never stop your campaigning and never stop sharing your stories of success and of pain. You will succeed in your struggle against this disease if you continue to be persistent and fight for your cause.

Queensland Gulf Country

Senator McGrath (Queensland) (18:37): Queensland is actually still a frontier state. We have so much growth in front of us as we look to the future, unlike some other states, whose best days are behind them, I fear. This was really pushed home to me when I spent a week up in the Gulf Country with Noeline Ikin, who was our candidate for the 2013 election for the seat of Kennedy. Noeline and I joined Senator Matt Canavan and Minister Barnaby Joyce in Normanton, where we officiated at the opening of new offices for Gulf Savannah Development Inc.—or GSD, as everyone up in Normanton seems to call it—with local mayors Fred Pascoe and Ernie Camp. After we safely packed off Barnaby to his next destination, which I understand was Darwin, we started on a journey across the cape, from Normanton and Karumba on one side, ending up in Bellenden Ker with Robyn Quick, who is
our Liberal-National Party candidate for the state seat of Mulgrave at the coming state election.

For me as a new senator, and someone who cheerfully admits that he has much to learn, this was my first trip as a Queenslander to the Gulf Country. And it will not be my last, as I will be returning in the near future, being April, as an unnamed mayor—first name Fred, last name Pascoe—has promised to take me barra fishing, which helps sweeten my commitment to return.

**Senator Ronaldson:** I'll come!

**Senator McGrath:** And Senator Ronaldson has offered to come also! I think that would be good for you, Senator Ronaldson. I think you would enjoy it a lot; you would learn a lot—and so would the locals, hopefully.

It is important that as senators we visit all parts of our state and understand the issues so we can act as a megaphone for those who cannot be heard down here in Canberra. Undertaking field visits to the Harris family operations and the Stanbroke operations, I was overwhelmed by their vision to drought-proof their properties. By catching the wet and growing grain, there is hope that drought-ridden cattle will be a memory rather than a threat. Their hope is to protect animal welfare, to grow jobs and to build the North. And I was at Delta Downs, with Fred Pascoe, Alfred Pascoe and Paul Edwards. This is the most successful Indigenous-run cattle station in the country. It is owned by the Kurtijar people and run by the Morr Morr Pastoral Board. We travelled over only a small part of their property. And when I say 'small', I mean we travelled over quite a large amount of their property; it is a million acres. Now, I come from a cane-farming family on the Sunshine Coast, and I thought we had a big farm. We had 250 acres, which is not even the size of one of their paddocks. Seeing what Alfred and Paul are doing to their property in terms of not only improving the cattle and improving the pasture but also rehabilitating some of the wetlands was really something that I will take away, and I will look back to see how the property develops over the coming years. Their property was hit particularly hard not just by the drought, which is ongoing in Queensland, but by Labor's ban on live cattle exports—a ban that devastated the North. A lot of families up in the North are still doing it tough because of the drought and because of the ban and the impact upon their income. I will talk about live cattle exports some other time.

At Karumba we were fortunate enough to stay at Ash's, which is owned by Yvonne Tunney and has the best chips in the world—and I am very happy to mention that, because I did not just have seconds while I was there; I had thirds. We also met Justin and Wombat from the Raptis fishing operations and went to the barra farm. I recommend that if you ever go to Karumba you should go to the barra farm and try to feed the fish. And, if you do, don't scream like a six-year-old girl, like Senator McGrath did—

**Senator Canavan interjecting—**

**Senator McGrath:** and Senator Canavan certainly did not scream like a six-year-old girl—with these giant fish trying to bite your fingers off. But it was really good to meet with Deputy Mayor Awesome—that is what he is known as, but he is otherwise known as Alan Gurney—and also with Greg Ward and Robert Pender. The coalition's views on the carbon tax were reaffirmed, because these people were telling us that the impact of the carbon tax on refrigerant costs had been cut dramatically. And that was a really good thing to hear.
In Normanton, looking around the Bynoe service with Senator Canavan and Noeline Ikin and with Fred and Sharon Robinson, we were blown away by the commitment to Indigenous employment and training, town development and housing. And we would like to say that we totally support the Carpentaria Academy. Everything they do is about real jobs and providing local people with a means to get off welfare. And I probably have to declare a conflict of interest here: I am arranging to buy one of their paintings to hang up here in my Canberra office.

Leaving Normanton after meeting with Mayor Pascoe and local councillors and his senior executives, we met with the Croydon mayor, Trevor Pickering, and councillors and senior executives, where telecommunications, or lack thereof, was on the agenda, and that night in Georgetown met with the Etheridge Council, with Mayor Will Attwood and the council. My old friend Michael Kitzelmann, our former candidate for Bundamba, hosted us to a barbecue in the park. And there is a theme here, because there was a good discussion on drought-proofing—not just in terms of drought-proofing grazing properties but in terms of ensuring that the towns in this part of Australia have a regular supply of water. What southerners sometimes fail to realise is that 75 per cent of Queensland is still drought declared. When you look at the map, it is actually a very scary thing to see.

In Mareeba we were fortunate enough to catch up with Liz Schmidt, who was our candidate for Dalrymple, and David Kempton, who was our fantastic LNP member for Cook. We attended a freight forum, and a very interesting exercise undertaken by David and Liz looked at what local roads needed to be improved. Everyone had to put a star on which roads they thought needed improvement. Both David and Liz will be coming to the state LNP and also to the federal government in terms of what we can do to improve roads in Far North Queensland. I should mention that we caught up with Mayor Tom Gilmore, who is the uncrowned king of Mareeba. We were very fortunate that night, thanks to Steve Schroj and Lindsay Rural, to attend a fruit and vegie dinner at the local soccer club.

It is about dams. The next morning, with Trent Twomey and Mark Matthews from Advance Cairns, we were taken to the proposed site for the Nulinga dam. There is a possibility that Cairns could run out of water in decades to come unless a dam is built in Far North Queensland. I am happy to say that I am very supportive. I go on the record to support the Nulinga dam.

Another project that I am very happy to support is the Igloo. For those people listening in their offices or at home, I would encourage you to google the Rocky Creek Igloo. It is one of two surviving igloos from the massive hospital that was on the Atherton Tablelands. At this hospital during the Second World War, over 60,000 Australian soldiers were treated. The building, which has been battered by a few cyclones, was the entertainment theatre. The local Rotary and some local volunteers, like Jo Barnes, Trevor Sorenson and John Montgomery, are planning on restoring this building. Senator Ronaldson has been there already. I spoke to him earlier tonight about it. The locals have a plan. It is only going to cost $1.5 million. Minister, we do not want it all right away, but we will be coming to you with a proposal in terms of what we can do to raise money in the community and how we can work with the government to see if there is any money in this very tight period of financial discipline to say that we can restore this amazing part of World War II history. I encourage people to go there, especially
people whose relatives fought in the Second World War or served at the Atherton Tablelands as part of the medical staff.

We finished in Bellenden Ker, which, for people who do not know, is a beautiful part of Far North Queensland just near Babinda. We had a meeting in a hall with local cane farmers organised by Robyn Quick, who was our candidate for Mulgrave. We talked about issues to do with sugar marketing. I will not talk about sugar marketing tonight because that is a topic that can go for hours and hours. I am concerned about—

Senator McEwen interjecting—

Senator McGrath: Some other night you will have the benefit of my dulcet tones. I am concerned about the impact a proposed conservation order will have on the Chillagoe limestone and marble quarries. This proposal is as potty as it is stupid and must be opposed because it will stop all line production effectively for the sugar industry in Queensland and it will impact on local cane farmers. So I call upon the federal government and Minister Greg Hunt to reject this urgently.

When talking about water, it is important that we achieve the right balance between the fishing industry and agriculture, not to mention ensuring the viability of local towns. It is important that farming operations and councils have the ability to be drought-proof—(Time expired)

Employment

Senator Dastyari (New South Wales) (18:47): I want to speak about a very important issue: job security. Before I do that, I want to acknowledge my good friend Senator Canavan who is here today. It is important to note that Senator Canavan and I yesterday produced an op-ed together on the issue of digital currency. I want to use this opportunity in the adjournment debate to thank the Institute of Public Affairs for the endorsement they gave of me and the op-ed that Senator Canavan and I wrote together. I just want to say, regarding John Roskam and the team at the Institute of Public Affairs: on many occasions they have tried to do damage to my career in the past, but, frankly, the idea of endorsing me was a very low act and I will not be forgiven!

I rise tonight to speak about job security: secure jobs for hardworking Australians to ensure that workers have the confidence to spend their money and, in doing so, they provide our entrepreneurs and businesses with the confidence to invest, innovate and grow. I rise tonight to speak out against the growing trend in Australia towards casual, unsecure work—the growing trend of companies contracting out jobs that were once permanent; the growing trend of businesses replacing full-time jobs with part-time jobs to avoid providing people with benefits and conditions—and speak out against devaluing work. In doing so, I acknowledge the work of many people and many institutions, but in particular there is the incredible work that has been done by, amongst others, many of the trade unions, including the National Union of Workers. Casual jobs, short-term contracts and other insecure forms of work are on the rise. Secure jobs are getting harder and harder to find.

I rise tonight to speak on behalf of the labour hire worker toiling away in a warehouse in Williamstown, performing the same task as his workmate but receiving lower pay, inferior entitlements and no job security. I rise tonight to speak on behalf of the casual homecare worker, unable to predict their weekly hours or their income. And I rise tonight to speak on
behalf of the so-called independent truck driver who receives a fixed contract rate but must somehow still meet his own high and variable running costs.

We on this side of the chamber are proud of our long history of fighting for fairness in Australian workplaces—fair wages, fair hours and fair conditions. In the Australian Labor Party, we are proud to stand for dignity in the workplace for everybody and to stand for sustainable jobs that support families—jobs that ensure money flows into communities, creating the confidence that drives growth. When there is less money in the pockets of regular Australians, they are not going to spend it in our small businesses, cafes or restaurants. They are not going to spend it on a new kitchen or fixing a squeak in the car. The money simply does not go around when it is not there. The number of Australians who are underemployed continues to climb. There is a hidden story. Unfortunately, in a lot of the figures we discuss in this place when we talk about the headline ‘unemployment rate’, we seem to ignore or forget. In 1984, only 15 per cent of all workers were casual. By 2004, this had almost doubled to 28 per cent—

Senator Canavan: What about after WorkChoices?

Senator DASTYARI: Senator Canavan, today more than 35 per cent of all workers are in casual jobs. That is one-third, and it is growing trend. Casualisation certainly is a global phenomenon, but we lead the world on this front, and there are social and economic consequences that, unfortunately, we do not spend enough time in this place talking about. In the OECD, only Spain, with a higher proportion of seasonal work in agriculture, outranks Australia when it comes to casual employment. In hospitality—a growing sector—two-thirds of our employees are casual. Forty per cent of all employees in the retail industry are casuals. More than four million employees are engaged as casuals on short-term contracts in labour hire or on independent contracts.

In the past, casual work was always considered a stepping stone to permanent employment. It was seen as something you did for a period of time while you nailed down some form of permanent employment. It was quite often seen as a phase that young people, students, those first entering the workplace and young workers would pass through on their way to some kind of a more secure, permanent job with rights and protections that many of us take for granted. But we are moving beyond that now. We are moving to a space where there are entire industries that are casualised—like food processing, hospitality, retail and tourism. Unless we stand up in this place and in workplaces across the country, we will not start winning back the jobs that you can count on.

Employees across Australia know this. Employees in companies such as Smith's Snackfood Company in Queensland know this. Just today, staff at the company's Brisbane warehouse lodged a claim for protected industrial action. They are holding a sit-in to support the rights of the many casual workers whom they work alongside. These workers, who are peacefully occupying the lunch room today, want nothing more than fairness and equality for all the workers on site. The entire idea that there are somehow going to be two classes of workers—those who are permanent and those who are casual—working side-by-side in the same workplace, producing the same work for different pay and different conditions is simply something that they felt was unfair. At Smith's Snackfood Company, as at workplaces right across this country, permanent employees want to make sure that casual workers have the same conditions that they have.
And why wouldn't Australian employers also want workers enjoying more secure jobs? Nobody earns their salary or their pay in a vacuum. In fact, many of the people in casual jobs spend much of their income in our local communities, in our local environments. We need to remember the best lessons of history in this space. Economic growth is strongest when powered by the income gains of low- and middle-income earners. One case study is the United States. Since an aggressive effort to bust unions began in earnest in the 1980s, household wages there have stagnated and have now slumped. In the US in recent decades the real average income of households has been declining. Losing workplace conditions means losing household spending. The heavy debt taken on by many households in response leaves the entire economy vulnerable to crises such as the banking collapses that have wreaked havoc on the Western world. The best evidence for this is the global financial crisis.

In the Labor Party, and also for our friends in the trade union movement, protecting workers is who we are. It is in our DNA. We will always protect the achievements of Australian workers by fighting against their rights being ripped away either directly or by stealth. Fundamentally, there is a belief—which I hope is shared across the chamber—in the dignity of work. Whom are we protecting? The large number of casual jobs that we are talking about today are held by women; by our youngest workers and by Australia's newest arrivals—migrant men and women who have come here to Australia, trying to make it a better place. They are often the most vulnerable in our society. We in this chamber remain incredibly privileged. We have an incredible opportunity to be a voice for those who are voiceless. When it comes to the growing trend of the casualisation of the workplace, we in this chamber have a responsibility to stand up and say, 'Enough is enough.'

**Defence Personnel**

**Senator MOORE** (Queensland) (18:58): In recent years there has been considerable research aimed at identifying Indigenous Australians who fought in our armed services during the period up until the 1970s. This research has been done mainly by individuals working privately, with some research projects funded by public institutions. The main institutions involved in this valuable work are the Australian War Memorial and the Australian Institute of Aboriginal and Torres Strait Islander Studies. Also at the Australian National University there has been some focused research on Indigenous people serving in the armed forces. Individuals who have done significant work include Philippa Scarlett and Dr Dale Kerwin of Griffith University. There are a number of individuals, mainly military historians, who contribute to the research. They are mainly interested in various areas of military history but are aware of the need to recognise Indigenous Australians. About 20 historians have made contributions in this area. They work really hard on an issue that needs more consideration, particularly as our community is looking more closely at our military history as we lead through this series of celebrations and acknowledgements over the next few years.

It is difficult to know exactly how many Aborigines and Islanders served in World War 1 because, up until after the Second World War, Indigenous Australians were formally barred from joining the defence forces. But we know they served, and we know they served in both wars. Often they received no recognition and after their service returned to live in their own communities, sometimes without any kind of memorial or acknowledgement of the service they had provided to their country.
The latest number who served in World War I that can be given with certainty is that some 1,800 Indigenous Australians served in our forces at that time. It is a number that is changing as the research continues. Some 324,000 Australians served in World War I, making this a very large research project. It is difficult to identify specifically Indigenous Australians who served because of a number of factors: (1) they were not formally allowed to serve; and (2) race was rarely indicated or recorded and usually only when rejecting a man's application. Some gave stories about their background such as being Maori or West Indian to explain their dark complexion. Ironically both those groups were not exempt from enlistment. There was also an expectation that there was some genuine prejudice in the community at the time, so people were reluctant to identify.

The researchers are guided mainly by family history and information from various state government bodies that managed Aboriginal people before 1967. Those records are now a valuable source of recognition. For the researchers it is a slow business of piecing together fragments from diaries, official records and memoirs. Often things are misremembered or impressions from many years ago are wrong. At times there is a photograph that can stimulate memory, and hours can be spent searching to get that proof. We know that families are very keen to have the stories of the ancestors known and celebrated, and tonight I want to talk about a couple of the men whose stories have now been recorded.

William Allan Irwin, a man of the Gamilaraay people from north-west New South Wales and south-west Queensland, was born at Coonabarabran in New South Wales. He was a 37-year-old shearer when he enlisted in 1916 at Narrabri. On his enlistment papers he is described as being five foot nine inches tall, weighing 145 pounds, with a chest measurements of 32 ½ to 35 inches. That is all very valuable information, but there is nothing about him being a strong Gamilaraay man. He had a dark complexion, dark brown eyes and black hair. There is only one known photo of him in a group of 19 men from his unit, his mates. The only way that they can point out William in the photo is that he had a small moustache.

He was allocated to the 33rd Battalion based at Armidale, drawn from the New England area of New South Wales. He did basic training in Sydney. He was in action and was wounded twice, once in 1917 and again in 1918, as well as becoming ill with scabies in January 1918. He was in the major offensive of March 1918 in the Somme and was part of a very strong action where he was awarded the Distinguished Conduct Medal, the second highest award for gallantry, and it is extraordinarily important that we acknowledge that. He died in Daours and is buried at the Daours Communal Cemetery Extension. The citation for William's medal says:

Single handed and in the face of extremely heavy fire Private Irwin rushed three separate machine gun posts and captured the three guns and crews. It was while rushing a fourth machine gun that he was severely wounded.

We should recognise that he was a strong man who died for his country that did not acknowledge him a citizen at the time.

The other man I want to mention is Benjamin Combo, who was from Dalby—a place I know well; it is quite close to where I grew up. Little is known of his life outside of his Army records, but it seems that by 1915 his parents had died and he named his uncle and aunt as next of kin. In December 1915 he was at a recruiting depot in Bendigo where he was medically examined and attested. He was 26 years and six months of age and was working as...
a horse breaker. His papers were endorsed 'half-caste Aboriginal'. He was sent for training, and on 18 December they sought advice as to whether he should be enlisted as he was very dark for a half-caste. As a result he was discharged in 1916 as 'not being of direct European descent'.

Some nine months later he tried again in Albury, New South Wales. He enlisted again and got accepted, but those papers did not say 'half-caste'. He left Sydney on HMAT A24 Benalla bound for the United Kingdom. He died of an pneumonia and was buried at sea. The Australian authorities were advised of this when the ship docked at Plymouth, and a telegram was sent to his next of kin, his aunt, but it was not delivered as she had left that address. His personal effects were never returned. After the war the Army took some considerable trouble to find his next of kin to forward his war medals. Eventually his brother, Bertie, was located at Murgon, and in June 1923 Bertie received Benjamin's British War Medal, a memorial plaque and a message from King George V. The only known memorial to Benjamin Combo is a brass plaque at the Albury War Memorial. It records his name and date of death, but no indication that he was an Aboriginal Australian.

It is important that we acknowledge the service that our Aboriginal people gave at a time when, as we know, in our history they were not recorded as Australian citizens. I want to applaud the work of those tireless researchers who are working to ensure that our records are complete, and that we have acknowledgement for the people who served our country so well and who showed such loyalty. We know that Indigenous Australians served for the same reasons as their white counterparts: patriotism; loyalty to what they considered their country; a sense of adventure; the lure of overseas travel;—which is ironic, when you think about it, that the lure of travel encouraged people to go so far away, and many did not come home—and the extraordinary rate of pay of six shillings a day.

I think it is also the fact that, once people were actually signed on, once they got through the threshold of having their enlistment accepted, there was a strong sense of equality within the Australian Forces. There was none of the segregation of units, which we have seen in the US services. People did have a sense that they were working and serving their country together, so that was also an incentive. Within the service, particularly the Army as we know, all the men knew that they were fighting together and it did not really matter, once you were in that fight, whether you were Aboriginal, or whether you were white, or whether you from were from another ethnic background.

There has also been considerable work done on people of Chinese descent who were in the Australian services, and there is a splendid book about the Chinese ANZACS which is available at the Australian War Memorial. We need to do more work and research. During the celebrations and acknowledgements over the next few years, as we look at major battles where Australians have served, it is important to know that amongst those Australian servicemen there were people of Aboriginal descent who were fighting for our country.

**Government Spending**

Senator CANAVAN (Queensland) (19:07): Mr President, I will start with an apology to you. I am sorry to keep you around here for 20 minutes, but I did think that you enjoyed my speech so much the other night that I will actually double it tonight. I know that the hard working girls in the whips office, Charlotte and Bec, really enjoyed it, so I am going to 20 minutes tonight.
I did want to contribute to the debate earlier this evening on government expenditure. I thought that was an excellent debate and a very worthwhile motion moved by Senators Day and Leyonhjelm. It is an incredibly important issue that at times does not get the airing it deserves in this place. Unfortunately, sometimes in question time we seem to focus on what people said yesterday and what they did or did not apologise for today and not on the big issues that actually affect this country. There are not many bigger issues than the debt that we have right now and how we are going to pay it back. We are about $340 billion in debt right now as a nation and that is only growing. It is going to grow faster as our population ages, and I want to talk a little bit about why that is such a risk and why we need to act now to fix it.

While I was listening to the debate from other people, I remembered a quote from a great public choice economist James Buchanan. He was a Nobel Prize-winning economist who basically invented a new field of economics and public choice theory. He once said that socialism may be dead but the leviathan lives on. He was exactly right. While the theories of Marx and his successors have lost credit certainly in the last 20 years, those of Keynes and others have not. I think Hobbes—that quiet leviathan that his book comes from—said many useful things. I mentioned Hobbes in my maiden speech. It is true that we as a parliament and as a government do have a contract with the people of Australia, we do have a contract with the people who are governed by this place, to make sure we provide the right things, to make sure we help those who cannot help themselves and of course, most of all, to make sure that we defend our nation from external threats. But Hobbes probably did not anticipate Keynes, and since Keynes came along we have had an obsession with spending and a minimisation of the risks of too much government spending and too much debt. All Western countries—and we are probably at the back of the pack on this, fortunately—have borrowed too much, have spent too much, way above their budgets in the last 20 years or 30 years. Mainly they have done that either in response to economic recessions or threats, with an over-confident or reach to Keynesian policies, or they have done it in a desperate attempt to buy votes, and that has often led to dire outcomes and where we are at right now.

That great economist James Buchanan also said that the response to too much debt, the response to having too much government spending, is like someone dieting. It is like someone with an obesity problem: they are always trying to get onto a better diet, they are always trying to say, 'Today, I am going to eat less, or tomorrow I am going to do this, or next week I am going to exercise more.' And the same thing happens with governments. They make promises to say, 'tomorrow I will be better, tomorrow I will stop spending.' We have seen that in the last six years. We have seen in the last six years a government that continually said, 'We are going to produce a budget surplus, not today but sometime soon. We won't produce it in this budget that we are delivering today, but we are going to produce it in three years' time. We are going to produce it in three years' time, three years early.' The problem is that that never happened. It never happened. The Labor Party clearly had, in a spending sense, an obesity problem. Now in opposition, they need to look at the fact that perhaps they need to go on something like the Biggest Loser. They need to go on a program like that so they get weighed, they can work out how much they are spending, how much debt they have and they can work out how they are going to fix it, What kind of regime are they going to go through to make sure that they can cut spending and actually balance a budget?
The Labor Party have not balanced a budget federally since 1989. I was nine years old in 1989, and the Labor Party have not balanced a budget since then. But they continually oppose those savings that have been put up and they also oppose some that they put up themselves when they said they were going to deliver a budget surplus. When they said they were going to deliver a budget surplus, they put forward savings like those on the R&D tax credit—the legislation that is up in this place right now. But instead of supporting the savings that they actually put up just over a year ago, they have now changed their position and are opposing those savings. That is just the absolute sign of someone who cannot diet properly.

I need to lose a view kilos myself, but I needed to 'carb up' before this speech and I went down to the diner. I had a healthy options to choose from but I went for the bucket chips. Mr President, I sinned, and I do feel a lot better after those chips, but I will certainly not look better next week. That is the problem with the Labor Party: they always go for the bucket of chips. They do not take the proper regimen of having some salads, going for a run around the lake and getting better doing something that is tough right now and comes at some kind of cost but is going to pay off in the future. It is going to pay for the generations who come beyond us.

I want to speak a little bit about what those problems for our future generations. We do often hear about our budget situation today and where we are at. Last year we had a $50 billion budget deficit. Everyone in Australia put $2,000 on their credit card thanks to the government last year—$50 billion is just over $2,000 per person. So anyone listening right now and anyone in this chamber—it's $2,000. We have about six senators here at the moment. So each of us borrowed $2,000, thanks to the Australian taxpayer, and put that on the nation's credit card. But it is only going to get worse. I used to work for the Productivity Commission. About 10 years ago they did a report on the ageing population—it was in 2004, I think. At the time, if we did not change anything and if we just kept going the way we were—and back then in 2004 we had big surpluses—and did not change any policies, the gap between our spending and our revenue as the Australian government and state governments up until 2050, so about 45 years, was going to be $2.2 trillion. Then, if we borrowed to be able to spend that money, we would end up with a debt of over $4 trillion. That is pretty scary. But last year the Productivity Commission issued a new report, an update on the report, if you like, and things have obviously got worse since then. That has been a result of the mismanagement of our finances over those last six years.

This new report says that, from 2011, when the report was started, through to 2060, we are going to have a gap between our spending and revenue of $3.2 trillion—an extra trillion dollars to borrow. It is so much money it is hard to think of. If we borrow that $3.2 trillion over that time—actually the Productivity Commission did not do those calculations this time, but a former staffer from there who is in my office, Colin Clark, helped do the numbers for me—at an interest rate of four per cent, year on year, which is pretty conservative, we would end up with a debt at the end of that period of $7 trillion. That would be about 150 per cent of our GDP at that time. This is all in 2011 dollars, so it takes out inflation. We would be in the category of Greece, Japan and other nations. That is a long way in the future. We have got decades to prepare for that. But we have got to know that when we make decisions now, because every decision we make today not to deal with that issue means it is something that
someone has to do in the future to deal with that issue, because we will ultimately end up in that place.

That makes it so much more important to try to get our budget into balance right now. That has not happened in the last six years. As I say, the figures have blown out immeasurably in that time period. The reason they have done that is the deficits we have run in the last six years, in a period where we have had strong economic growth and strong growth in our terms of our trade. If you believed in the lessons of Keynes, you would have thought we would be running surpluses through that period, because you should be saving during a strong economic growth period, to have the funds for a rainy day when things turn around.

Let us just go through it. The Labor Party had six budgets over that period. Their first budget was a $27 billion deficit. The second was a $54 billion deficit. That was a record, that one. That was the biggest in history. It still is. The record is going to be hard to break. The next one after that, the third one, was a negative $47 billion. The fourth was a negative $43 billion. They got to negative $18 billion. I think it was in 2012-13. That was the year they were meant to have a surplus. They shifted a lot of money around to try and get there; they were still $18 billion short. And last year, as I said earlier, we had a $50 billion deficit. All up, we had deficits of $240 billion in just those six years—an unbelievable amount of spending from the Labor Party. But they did do it, and now we have got to clean it up.

The only way to clean it up is to look at the areas of the budget that spend the most money. Fixing the nation's budget should not be overcomplicated. It is no different than fixing a household budget. You look at what your spending items are, you look at what you are spending too much money on and you try and clamp down on it. In our budget, the reality is that a big part of what the federal government spends, what we spend, is taken up by two areas: welfare and health. Welfare accounts for about 33 per cent, a third, of our budget—$140 billion a year. This government has tried to introduce some reforms to cut spending on welfare, as well as encouraging people to get jobs, but the reforms have been blocked by this place, blocked by the Senate. That does two things that are of concern. First, it means we do not get the savings to our budget that we want to get through cutting back on that item of expenditure. Second, it means we do not receive the benefits in terms of productivity or increased workforce participation that those reforms would deliver. It has been doubly disappointing that the Labor Party has blocked those reforms.

The next biggest area of expenditure is health. That is 15 per cent of our nation's budget and growing rapidly. Again, the Labor Party do not want to do anything about trying to help slow the growth in health spending. This side of parliament has taken a very difficult decision to say we should put a price signal on people going to the doctor. The Labor Party believe in putting a price signal on carbon and in putting a price signal on prescription drugs, but they do not believe in putting a price on going to the doctor—a very moderate price signal of just $7 a visit, capped at $70 a year for pensioners and those with healthcare cards. But they do not want to do that. They are not doing it because they see a political opportunity in opposing it. That is unfortunate, because, as I say, we have an economic opportunity to help fix these problems. A moderate cost on people going to the doctor is something that Bob Hawke proposed in the 1980s and that the shadow Assistant Treasurer of the Labor Party proposed a few years ago, in a book called Imagining Australia. I think I have got it in my office. But he has walked away from it. He has walked away from it because of politics, not because of
economics. I think that is unfortunate, because, if we do not do things in either the welfare area or the health area, you can pretty much forget about dealing with those long-term budget and expenditure problems that I described earlier—those trillion-dollar problems. If you want to fix a trillion-dollar problem, you have got to start with expenditure in the billions, and that is in areas like welfare and health.

There is another way we can help deal with this problem—and Senator Sinodinos, in the debate today, made very good points in this regard. This is often overlooked. We do need to cut our expenditure. We do need to get those savings through the parliament and have a reasonable and forward-looking debate on them. But the other way we can help deal with this issue is to ensure that economic growth remains strong. We have had a difficulty in the last decade in achieving high productivity growth, and ultimately it is productivity growth which will determine how much money we have in the future, how much we can afford on schools, hospitals and roads, so we need to become as productive as we can. All that means is saying we need to be able to use the resources we have got in the most efficient way. We need to be able to make sure we can do more with less every year. If we do that, we will maintain our high standard of living and our highly equitable access to hospitals and schools, which is a foundation stone of the nation. But in the last 10 years our multifactor productivity growth, which is a broad measure of productivity across capital and labour markets, has been falling at 1.2 per cent a year. There are lots of reasons for that, but it has been falling. Across the world, the average has been 0.6 per cent in the last 10 years, so it has not been a global phenomenon. It is not like we are just going backwards along a wave created by other nations. We have been well behind other nations. It is something that we have to look at and rectify.

Our average productivity growth in the last 30 years has been about 0.7 per cent a year. If we could return to that average over the next 10 years, if we could achieve that productivity growth rate instead of what we have been achieving, in just 10 years we would have an extra $6,000 or so per Australian in our GDP. Average incomes would rise by about $6,000 a year. Think of the changes we make in this parliament. The price signal on Medicare, for example, is going to cost people $70 a year if you are a pensioner or a person with healthcare card. This reform alone could add $6,000 a year—if we were able to get the productivity growth.

More importantly, for this debate on expenditure, if we were able to get the productivity growth rate up, that would automatically bring our spending down as a percentage of GDP because the pie becomes bigger, and what we take up, the resources that we take up in this place, become a smaller part of that pie. If we were able to do that in 10 years, our spending in GDP terms would drop from 26.5 per cent where it is at the moment to 24.8 per cent in 10 years. That would go back to the longer-term average in terms of government spending.

That calculation I did assumes we do not make any savings; we just stay with all our other spending. We keep it all in place just through that action—getting high-productivity growth we would be able to get our spending as a share of GDP back to something more reasonable. That is the power of compound growth and that is why it is so important to make sure each year on year we are achieving as much productivity growth as we can.

As well as the government's saving agenda, the government has established a strong agenda to try and achieve those productivity gains through a range of areas. I just want to highlight a few: first of all, the deregulatory agenda is very, very important. Labor made attempts in the last six years to achieve that—I think they were frustrated in a number of
areas; they were frustrated through COAGs. Some of those things were not their fault—I am not trying to be political but it is very, very difficult to get these things done.

This year one of the most important reforms we have achieved is to set up the one-stop shop and improve the approvals for large projects. It has been a national disgrace how long it takes to get large-scale investments approved. That was something the Labor Party wanted to tackle—that former Prime Minister Julia Gillard announced they were going to tackle and then they walked away from it, because the Greens did not like it.

Since we have set up those one-stop shop arrangements, the bilateral agreements with state governments, around a trillion dollars of new projects have been approved. I would like to highlight the bauxite mine south of Emerald, which was approved under the former Labor government just before they stopped—but they took 975 days to approve it. It was initially approved very quickly then the Wilderness Society wrote a letter to Tony Burke and he stopped the clock: it took them 975 days to approve a $1.4 billion project in Cape York—a disadvantaged part of our nation. It is an absolutely disgrace that it took that long. If we deregulate more and get those projects up, we will get more jobs going and that will help our productivity growth.

There are also broader reforms—things we need to do more work on: taxation through the white paper, and Senator Day made a number of important contributions in that regard. I agree with him: we need to look at indexing our tax threshold, because it is a deterrent to people getting ahead. They know that through bracket creep the government is going to get you every time. If they do not get you this year, they are going to get you through inflation and, without becoming wealthier, you are going pay more tax and be in higher tax brackets. If we gave people the confidence that we, as a government, would not just index people's welfare payments but index their tax thresholds, it would give people more confidence to have a go and take some risks in their lives.

It is very important to make sure that, while we do have spending constraint, we do not forget to invest in the areas of our nation which are going to deliver economic growth and those productivity gains. That is going to be at the frontiers of our nation.

There is a basic theory in economics that, when your capital stock is low, your return on capital is going to be higher. That marginal return on capital for just another factory or road in an area where there is not much infrastructure right now will make a big difference.

Senator McGrath spoke earlier about a trip he and I did to the gulf and across to Cairns—there are enormous opportunities in that region. If we can get of our backides, approve projects and the use of more water, and get some irrigation going, that will create jobs. Again, we will take the sun, water and soil that already exist and start producing a product that people want to buy and that, by definition, is going to increase our productivity.

Finally, I wish to focus on the most controversial and the hardest thing we need to do: industrial relations reform. Senator Dastyari spoke about the casualisation of the workforce, and he is absolutely right: that is a great concern. But it is also fundamentally true that, after the former Howard government introduced reforms to industrial relations after they won the 2004 election, the number of people employed in full-time work surged.

It is pretty simple: if you make it easier to hire people, people are going to hire more people. That is all it is. It is fundamentally true. Not just that: unemployment fell and it fell
before GDP rose—usually it is the other way around: GDP usually kicks up, then unemployment starts to fall, because businesses become busier and they get the confidence to hire more people. But after Work Choices came in, it worked the other way: unemployment went down first and then GDP picked up. Unemployment fell so much that, by the end of the Howard government, less than four per cent of people were out of work in this nation—today it is over six per cent. That represents about 250,000 people. If we can do one thing in this place which helps people in a measurable way, it is to help them get a job. I think it is a disgrace that 250,000 people are out of work now, when they need not be, if we had some decent industrial relations laws in this country.

**Flanagan, Mr Richard**

**Senator SINGH** (Tasmania) (19:22): Tonight I would like to pay tribute to an incredible writer, who has recently been awarded The 2014 Man Booker prize for his extraordinary achievement in *The Narrow Road to the Deep North*, Richard Flanagan.

A people's history is scored in moments—resonant moments that are experienced, remembered, shared and retold. These moments, like Gallipoli and the Sydney Olympics, are immediately and intuitively understood as confirming our preconceptions, or perhaps our misconceptions, about ourselves. But other moments no less intrinsic to our national tapestry jar with those tightly clasped self-beliefs. These moments were not believed by those who were there and are incapable of being understood by those who were not.

Such moments are not shared so widely in our experience. Maybe this is why a people rely so heavily on their storytellers to find the dark, opaque moments, weaving them into the national story despite their cruelty and inscrutability. Richard Flanagan has written some of those moments, our terrible moments, in his novel *The Narrow Road to the Deep North*, named after a work of 17th century haiku poet Matsuo Basho.

AC Grayling, the chair of the judges for the Man Booker prize, called *The Narrow Road to the Deep North* a magnificent novel of love and war, written in prose of extraordinary elegance and force. Richard is only the fourth Australian, and the first Tasmanian, to win the highly coveted Man Booker prize, a literary prize awarded annually for the best original English language novel.

This year the prize was expanded. In the past it was restricted to novels written in English by citizens of the Commonwealth and the Republic of Ireland. Now it includes all authors writing in English regardless of their country of origin. So Richard is the first winner of a truly international Man Booker prize.

In 1994 a grant from Arts Tasmania enabled Richard to publish *Death of a River Guide*. Launching the career of an Australian literary genius cost us only $14,000. Twenty years, six novels and two film scripts later the rest of the world has embraced his talent. Chris Wallace described this win as 'a matter of pride for all thinking Australians'. He said:

'It's down to his prodigious talent, of course, but also to a country which, while some pretend it's all and only about mining and sport, has nurtured some great creative talents.

Perhaps tonight it is more appropriate to recognise the debt Tasmania owes to Richard, a provocative and persuasive supporter of Tasmania's unique cultural story. His novels envelop us in rich, dark and wondrous narratives of Tasmania, an island at the end of the world, greatly underestimated and often misunderstood. But not underestimated by Richard. He said:
I've grown up in a place where the measure of everything extraordinary was not man-made and it does lead you to think differently about human beings. To live in a city is to live overwhelmed by extraordinary objects. But just outside the little town where I grew up, there was the oldest living thing on earth: a huge tree that was 12,000 years old.

Richard Flanagan understands the power and importance of Tasmanian and Australian moments. He understands us beautifully. The great writers, the writers who discover masterpieces within themselves, the Man Booker prizewinners, lend us the means to feel the pain and fear of love and war. *The Narrow Road to the Deep North* does this. We feel painful, terrible feelings—feelings that resonate. In *The Narrow Road to the Deep North* he has written moments of horror that should be indescribable, moments of love and war that must be inconceivable, torment that would be unspeakable and loss that might be impossible.

*The Narrow Road to the Deep North* is a love story crafted from the experiences of Richard's family. Arch Flanagan was a prisoner of war in a Japanese camp on the Burmese-Thai border during World War II. Arch ended up on the infamous Thai-Burma railway as part of Edward 'Weary' Dunlop's thousand. His son's novel is not a replica of his father's experiences but draws instead on the living nightmare Arch and his comrades suffered on the Thai-Burma death railway, a war crime in which the Imperial Japanese Army used Allied prisoners of war and conscripted Asian workers as slave labour.

One hundred thousand men of different nationalities, possibly more, died laying 400 kilometres of track on this death railway—a futile attempt to push a rail link through some of the world's most impenetrable jungle. More than 2,700 of those who perished were Australian. In the end Arch Flanagan was not one of the fallen. His triumph was his survival. He made it back to Tasmania and with his beloved Helen raised an incredible family of six and built a life, a long life. Arch died just shy of his 99th birthday, the very same day, after 12 years of struggle, his son Richard finished the manuscript of this extraordinary book.

In *The Narrow Road to the Deep North* Richard tells a story of fiction deeply intertwined with a truth that many families in Australia connect with. Similar stories sit like ghosts within the families of death railway survivors. They are stories of horror often untold. Whilst I still have waiting for me the reading of *The Narrow Road to the Deep North*—a pleasure I will take up this summer—my partner, Colin Grubb, has shared with me his feelings and thoughts on the masterpiece. He told me:

It's an incredible story that draws you in as it moves back and forth in time and location.

Richard writes with a wonderful sense of place and time, he can draw poetry out of the most dreadful image, the book is both beautiful and brutal at the same time.

He tells a sun drenched love story and then turns the story to the deep horrors of the jungle in WW2 and the suffering of Australian POWs on the Thai/Burma railroad.

An amazing twist is how we experience the horrors of war and its aftermath from multiple perspectives, the prisoners story, the Japanese officer's story and the indentured Korean guards story, this is amazing writing.

Many people say a book is so good that they can't put it down, Narrow Road is just that but many times it gets so intense that you do actually need to put it down and have a little breather, a little processing time then you are drawn back to it.
Some passages are very confronting, but I found you need to go through these, you have to go through the 'jungle', they are part of the brutal reality that these men lived and you do need to stay with the story.

The months since I finished reading this novel I have thought about the story many times, you can't get it out of your mind. I think of all those old mates of my dad who propped up the bar at the local RSL, all those experiences they never spoke of because no-one back home could possibly understand, after reading this book you can begin to understand.

I read the last line and closed this book thinking 'masterpiece' and that's exactly what it is.

I really think Colin's depiction of this masterpiece of a book shows exactly why it has won the Man Booker prize. This book is an extraordinary achievement. And how lucky we are to have in Australia—indeed he is from my beautiful home state of Tasmania—this incredible writer, Richard Flanagan!

Richard is a man whose incisive speech belies sometimes the breathtaking and often lyrical metaphors that mark his writing. A truly Tasmanian character, in his acceptance speech for the prize, Richard said:

I do not come out of a literary tradition. I come from a tiny mining town in the rainforest in an island at the end of the world. My grandparents were illiterate.

After receiving the Man Booker prize award, and doing hundreds of interviews, he was asked by one reporter about Australia's attitude to the environment—in response to Tony Abbott's comments about coal being good for humanity. Richard said he is ashamed, in this respect, to be an Australian, when this is brought up. The media went to town on this comment, as if this was all he said.

Well, Richard is not alone there. I, too, feel ashamed when we have the leader of this nation making such foolish and embarrassing claims, which were coupled by his attempt to not allow climate change on the G20 agenda in Brisbane. What kind of message about Australia and our care for our environment and commitment to doing our part to slow global warming does this send to the world?

Richard was right when he said Australia has the most extraordinary environment. He spoke frankly for so many of us when he said he did not understand why this government seemed committed to destroying what we have that is unique in the world. Richard said:

The horror of the Death Railway doesn't begin with the first beating, or the first execution. It begins decades earlier when the idea is put abroad in society by politicians, public figures, writers, and journalists that some people are less than people. And in Australia today strong voices of the powerful are being raised, saying some people are less than people. It is poison to the soul of a society, and it should be named as such, and its evils opposed and ended.

It is with great pride as an Australian and as a Tasmanian that I congratulate Richard on his success. I believe his work has inspired a new generation of Tasmanians to stay, to build a future Tasmania, and to embrace the kinks and heal the fractures in our history. The Narrow Road to the Deep North speaks of the love affair our nation has with literature. It is a love affair which Richard contributes admirably to.

Finally, I would like to pay my sympathies on the recent passing of Richard's mother Helen, and give my deepest condolences to the Flanagan family. May she rest in peace.
Senator O'NEILL (New South Wales) (19:40): I rise tonight in this adjournment debate to make some comments with regard to arts education in Australia. I would like to commence by establishing the context in which I make my remarks. I am talking about the role of a very important agency in Australia that perhaps some people listening might not be 100 per cent aware of. So much work gets done in government—whoever is in government—but the public servants and the agencies that do work for our nation are often overlooked and under recognised. I want to pay tribute to an organisation known as ACARA, which is the Australian Curriculum, Assessment and Reporting Authority.

There are many definitions of what a curriculum is, but essentially it is all the things that happen at school. The curriculum can be the formal curriculum, which is something that can be contained within a document. There is also the informal curriculum—all the other things that happen around the edge of it. There is the intended curriculum and there is the unintended curriculum. Then there can be the hidden curriculum as well. Schools are such complex places in which there are so many different kinds of learning go on.

That is why the role of this organisation is so important. It attends to all of those matters fully. But often the debate around curriculum is limited to what is in the written and formal curriculum. ACARA, which does this very important work, I am pleased to say was established on the watch of a Labor government on 8 December 2008. It was established under the Australian Curriculum, Assessment and Reporting Authority Act 2008. It began its operation with the appointment of the board in May 2009. It is a very important agency because it does acknowledge that we are a federation and a nation. It is integral to making it possible for the state and federal jurisdictions to have very important conversations and plan for the learning of every Australian student.

Let's face it, when we stand up and sing the national anthem we do not sing, 'Tasmanians all,' or 'New South Welshwomen and men all,' or 'Queenslanders all.' We sing, 'Australians all let us rejoice.' But in the history of our federation we have had a very differentiated set of formal curriculum documents across the country. Frankly, having spent over 20 years of my life in the education sector I thought the day would never come when we would be able to have the sophisticated kinds of conversations necessary to develop a national curriculum. I always had reservations that we live such a long, long way from other countries that if we got it wrong we would get it all wrong together. The advantage of having a little differentiation between states was that if one state was investing in curriculum development we might learn from that state—we might learn from one another.

That is why ACARA and its role is so important now. And that is why it is important to keep watch on this and make sure that the government does not do what it has done to many other agencies, which is to cut them back to a point where they are unable to do the work that is vital to building our nation.

This conversation between states and the Commonwealth government enables Australians and young people who are captured, as I say, for 13 years of their lives, by law, in schools, to learn the things that we value. We value being able to work with other people. We value being able to understand that we live in a global world and to embrace cultural difference, understanding difference and physical differences. We value kids being able to express themselves through literature, in their understanding of mathematics, in their reflections on
the scientific world. All of these things matter. So the richness of that curriculum is very important.

When the determination was made to push for a national curriculum there were very many difficult conversations to be had by people who are passionate about what they teach and who they teach. Over the last five years it is very clear that ACARA has undertaken a huge number of consultations across the country and, in doing so, they received an incredible response from the teaching, learning community—parents who participated in doing much more than just the local barbecue as a fundraiser for the school or the fete, vital as those things may be. Teachers need to understand and parents need to understand that it is together we can create a wonderful curriculum and learning experience for young people and that is what we saw in this process. There were 13,000 consultation submissions from individuals, groups and organisations. I am pleased to note from the ACARA report, which I will speak to more fully next week if the opportunity arises, they have implemented the Australian curriculum for English, mathematics, science and history for foundation to year 10. And that is happening right across the country.

Obviously the development of the Australian curriculum is continuing with the publication of the arts curriculum in February 2014. Very importantly, the Australian curriculum in technologies, health and physical education, economics and business, civics and citizenship was noted and made available for use in February 2014. That indicates a significant buy-in by all of those curriculum areas and by all of the jurisdictions across this country who have been reconciled now to the view that a national curriculum is in the national interest and that there is indeed a great deal of consensus.

Out of those 13,000 submissions and consultations a tremendous curriculum has been developed and is being implemented. But despite that, the government in charge of the country right now decided and put about an incredible degree of misinformation about the need for curriculum reform, curriculum review. Tonight I want to particularly direct my remarks to the arts curriculum as it was reviewed in the Donnelly and Wiltshire curriculum review. I urge those listening to join with me, as an Australian who believes in the power of education for our young people, to wholeheartedly reject the nonsense that is the Donnelly and Wiltshire curriculum review. I do this because I have the deepest respect for our teachers in our classrooms and the students for whom they care, and I reject this review because I know from my own experience as a teacher that what learners need in a classroom is not the top-down didactic lecturing, throwing information into the top of kids' heads, that old model of learning that is so often spoken about in the papers. Young people in a technology-rich world still need to learn basics, but they can interact in learning them in such an interesting range of ways and powerful learning comes out of making sure that learners are engaged.

In terms of attention theory for learning, if we do not get students attending to the learning, their brains do not get into gear well enough for them to be able to connect and synthesise the new information that teachers are absolutely responsible for putting in front of those children. What students really need is to be excited by learning and to have a deep connection, a deep understanding and a deep respect for their own identities, cultures and lives and great learning that is differentiated and different in every context, and different for every child. It becomes possible when you attend to the reality that we are teaching individuals. Yes we teach subjects to individuals but we always have to be mindful that children's success is at the heart of good
teaching. Too often teaching is characterised as somebody standing at the front talking at people. You can talk at people all you like and the Acting Deputy President would be well aware of that from sitting in the chair and the experience he is having right now. It does not mean that people are paying attention and it does not mean they are going to recall what you say. There can be a very big gap between that delivery of information and the real act of teaching, which is making learning happen.

People have been talking about this for a very long time. As long ago as 1969, there was a futuristic book called *The school I'd like*. In it, a student who was 16 years old and named Linda explained that:

The mind is forced to be filled with disjoint bits of knowledge which are reeled off in exams. It is very rare that anyone needs this complete knowledge stored away for they can, if they need, look it up in a book.

With our mobile phones at hand everywhere we go, we can very quickly access information but a quality education in the 21st century is about what you do with that information and a synthetic thinking that is required to respond to an increasingly complex world means that dumping information into kids' heads, getting them to spit it back at you can only lead to a very low level of engagement and a very low level of learning. It is part of the journey but it is not the end game. We need to do much more than that. We need children to appreciate learning, children who believe in their capacity to learn and how to enjoy the beauty of our cultural complexity in all its forms—in the arts, in music and dance, in drama. Indeed, having worked very closely together, there is now a compilation of the arts. Five subjects have broken down the language barriers between them to make the curriculum so much easier for teachers to access. They have connected the subjects of dance, drama, media arts, music and visual arts. This curriculum was endorsed by ministers from around the country in July 2013 and is now being used across the country in a range of states. The arts curriculum is particularly important. I know that we really need to think about how we make sure that that remains a part of what we do.

We know that ACARA and, in fact, most stakeholders in the area of education acknowledge the robustness of this new Australian curriculum. However, what we have seen with the Donnelly-Wiltshire review is that the government, in that document, really did seek to implement a deeply ideological, profoundly restricted and poorly executed re-ignition of the culture wars. From the outset, the review was clearly loaded with baseless declarations, saying, for example:

For too long curriculum development in Australia has been left in the hands of educators, rather than subject specialists …

It is simply not correct. These assertions were baseless. The incredible waste and hype of going through this curriculum review exercise should not be lost, and that is why I really wanted to speak to it this evening. The flawed logic of this review is exemplified in the call for less content in the arts curriculum, which is an idea incompatible with the review's statement that currently the curriculum seems too pedagogical. And yet there is a concomitant reduction in the allocation of time for the arts.

Perhaps we should consider not whether we are teaching too much but whether we are providing enough time to learn something that is deeply valuable, deeply engaging and complex, and deeply human. In that same book that I quoted from a little earlier, *The School
I'd Like, there is a quote from a 17-year-old boy who says what I feel many of our students want to articulate:

I would like to see the barriers surrounding art, music, literature and drama broken down. I would like these forms of self-expression to be understood and enjoyed by all, not just a bourgeois minority. This is where I feel that my education fell through.

The reason this is so important is that pedagogical research, in particular, shows us the value of integrated and interrelated knowledge. These words resonate with parents, teachers and groups like the National Advocates for Arts Education, who tell us that separate and siloed subject areas are more difficult for primary teachers to facilitate in a classroom. Powerful words like we heard from that 17-year-old resonate because we all know deep down the value of the diverse and colourful tapestry of human knowledge and culture. Through diversity, we learn, we grow and our imaginations are freed. The capacity to respond to the challenges of the fast moving century that we are a part of is absolutely vital.

It is in the arts that we see some of the most powerful imaginings of young people. Recently at the Sydney Opera House Ben Folds said of the Sydney Symphony Orchestra: 'Theirs is the greatest art because it is an expression of the best of civilisation and our striving to achieve harmony.' Sadly, those opposite, rather than strive for a rich cultural experience—one that recognises the value of our artistic expression—say, 'Let's chop it all out, because it is just too hard to implement. And who cares about the arts anyway! It might cost us some money to do that.' I do not think the government's view on this is the one that resonates with Australians. We love our music in all its glorious forms. We need to make sure that our children have access to it to understand it, to do it, to make it, to experience it. Many millions of parents care about the arts not just for art's sake; they actually care about the intellectual growth that is enabled by creative expression in their children.

We really need to remember that thousands of Australian teachers, too, care about that deep understanding and pedagogical value of arts in their classrooms. If we do not provide opportunities for young people who are wonderfully gifted in the arts to enjoy school though the expression of the arts, then we really force them into the servitude of attending a place where they will so often fail in subjects that simply do not engage them. To help somebody learn to read who does not really like the act of reading but absolutely loves singing is a great way for a young person to be engaged—to get that attention that is necessary for them to engage in the complex cognitive tasks of learning to read. When we cut out music because it is too hard and is too expensive, we take away from some of our students that opportunity to learn in a particular way.

We know that education in the arts can be absolutely transformative. We need only look to Cate Blanchett's recent remarks at Gough Whitlam's memorial to see what Australian students can actually aspire towards. Cate, on that occasion, used her address to really help us remember. In quoting Gough, she captured the value of the arts in our schools. It is quite a profound comment:

In any civilised community, the arts and associated amenities must occupy a central place. Their enjoyment should not be seen as remote from everyday life. Of all the objectives of my government, none had a higher priority than the encouragement of the arts—the preservation and enrichment of our cultural and intellectual heritage. Indeed I would argue that all other objectives of a Labor government—social reform, justice and equity in the provision of welfare services and educational opportunities—have as their goal the creation of a society in which the arts and the appreciation of
spiritual and intellectual values can flourish. Our other objectives are all means to an end. The enjoyment of the arts is an end in itself.

In the two minutes that remain here for me in the chamber this evening, I would like to just recall for you my experience of being at an event on the weekend on the Central Coast, in the great suburb of Woy Woy, put together by Coast Community Connections. It was called 'Discability', and it was I think the third or fourth time that a gathering of young people with disabilities of an enormous range and their carers and the local community gathered to express joy—and you can imagine the disco ball hanging from the ceiling in the middle of the day. It was just absolutely wonderful.

It was set up so that there were a number of different zones. There was a quiet zone for people who felt a little overwhelmed by the action and movement to go to and have a bit of quiet time; in there, they were playing a few quiet games. But there was also a drumming circle that was provided by The Rhythm Hut. There were open mike performances in the Acoustic Corner. In the middle of the hall, at Boogie Central, there was a wonderful, wonderful young man, who is very visually impaired, by the name of Ty McGill, who had the place absolutely rocking as he sang. I had the privilege of introducing him, and I said to him, 'Ty, what are you going to sing?' and he said, 'You'll just have to hang around and see!' He's just a wonderful man with great confidence, whose expression of joy in living came through in his capacity to sing and to show his knowledge and learning in that way and absolutely to share that with others. There was a Workshop Haven. There was a wonderful barbecue put on by the local Rotary. And I want to congratulate the sponsors: Bendigo Bank, Northcott, The Rhythm Hut, Rotary and Coast Community Connections. A celebration of the arts—we should never, ever sell it short.

Infrastructure

Renewable Energy Target

Australian Defence Force

Senator LAMBIE (Tasmania) (20:01): Today I got Christmas tree envy! I walked past the Prime Minister's office and noticed his magnificent Christmas tree, and I wondered if there was a present or two for the people of Tasmania under Mr Abbott's tree. So, with Christmas less than a month away, my meeting confirmed with the PM next Monday, and decorations, trees and carols everywhere in Australia's Parliament House, I thought it would be timely to share with the Senate my Christmas wish-list for Tasmania, just in case a fat jolly man, or even the Prime Minister, were listening and feeling generous. After all, with the Christmas naughty-or-nice list most likely all drawn up, and given that I haven't upset too many people and done too much wrong this year—or, if I did, it was all in the good cause of putting my Tasmania first—I have every hope that Tasmania and I will end up on the nice side of Santa this Christmas!

On a more serious note, on the top of my Christmas-tree wish-list for Tasmania is, as to the RET, the immediate removal of the need for a large manufacturing business to purchase renewable energy certificates, because tens of thousands of direct and indirect jobs are in danger of being killed off if businesses like Bell Bay Aluminium, Norske Skog paper manufacturers, Grange Resources, Nyrstar and TEMCO manganese smelter close down because the total cost of energy becomes too expensive. Why should our big energy users, big
employers and big wealth-creators be forced to pay what is nothing more than a sneaky extra tax on their electricity use, when the electricity they use is 100 per cent clean renewable hydro energy?

When Tasmanians turn on the light switch, and when our manufacturers power up their factories and provide jobs and wealth for thousands of workers, we are the only state in Australia who can hold our head up high and say: 'We don't pollute the environment with CO₂ because effectively we don't use coal power. We use water power to create our energy. We use 100 per cent clean renewable hydro power—the best form of renewable energy in the world—to produce goods to sell to the rest of the world.'

So why have the mainland states of Australia, through the current unfair RET scheme, ganged up on us and penalised Tasmania, as if we are polluting the environment with CO₂ created by coal-fired power stations? Why have both federal Labor and Liberal governments since 2001 forced our big manufacturers to pay, over and above their normal taxes, more than $20 million per year into a fund which was created to ensure that mainland states receive more renewable energy?

A polite way of describing the situation created under the unfair mainland RET scheme is a 'wealth transfer'; a less polite way is a 'complete rip-off'. So a 'wealth transfer'—or 'RET rip-off'—from Tasmania to the mainland of more than $260 million has occurred since 2001 because our big energy users and big employers have been forced to buy RET certificates. And I am not even including the 3.6 per cent RET charges, identified by the federal Parliamentary Library, which are also forced on everyday Tasmanian residential users.

I repeat my point: why should any Tasmanian be forced to pay one more cent of RET penalties for our electricity use when we use 100 per cent renewable hydro-electricity? If these RET charges or penalties are taken into account, it is clear that, since 2001, hundreds of millions, if not billions, of dollars have been unfairly taken out of Tasmania, putting at risk the jobs of tens of thousands of hardworking families and small businesses. How many jobs in Tasmanian over the last 10 years were lost because of the overinflated and highly expensive energy costs?

So my Christmas wish for those tens of thousands of Tasmanian families who rely on the manufacturing industry is for them to have a breadwinner in permanent work—to have job security—and for those families to stop worrying that the business they work for could become unprofitable and close down in the very near future. If that happens—if one of Tasmania's big employers and big manufacturers closes because they cannot afford the RET and energy charges—then the great danger is that other big energy users will close because the energy costs will shift and Tasmania will suffer catastrophic manufacturing failure and job losses. If that happens, there is only one group to blame, and that is the group called the Liberal Party, led in the lower house of this parliament by Mr Abbott and in the Senate by Senator Abetz, because they designed this crazy RET scheme which ignores the fact that Tasmania is powered by 100 per cent hydro.

Since being elected to government—even though every Liberal member of this government, including Senator Abetz, Senator Colbeck and Mr Brett Whiteley, has heard the same warnings and pleadings from desperate and caring general managers like Ray Mostogl of Bell Bay Aluminium, and Rod Bender of Norske Skog paper manufacturers—those Liberal members of this parliament have refused to support and go over the top with me on this fight,
and have done nothing to fix this RET injustice. They been happy to either knife me in the
back, or stand by silently and watch while I am supposed to horse-trade with their Prime
Minister for the job security of tens of thousands of Tasmanians. I am happy to go in and fight
for the survival of manufacturing industry in Tasmania; it is what I was elected to do. But
what makes me angry is the absolutely cowardly and pathetic behaviour of the government
members of this place. This Christmas they should be given time in the naughty corner and
made to answer this question: what are they doing to help ensure the unfair RET tax is
removed from our big manufacturers thus saving tens of thousands of direct and indirect
Tasmanian jobs?

One of the reasons Tasmania has found itself in a very difficult economic and social
situation with the nation's youth, and with general unemployment at record highs, is because
we have a Bass Strait transport cost crisis. The cost of transporting products, people, vehicles
and machinery across Bass Strait—a state border—is too expensive and unfair when
compared to other Australian state borders. I have said this before, but it is worth repeating: if
Tasmania is to be treated fairly as a state of Australia, the cost of transporting both domestic
and international bound goods and containers, machinery, food and fuel between Hobart and
Melbourne should be no more than the cost of transporting a container on a semitrailer
between Melbourne and Wagga Wagga on the Hume Highway. If we are to be treated fairly
as a state, the cost of people taking their cars, motor homes, campervans, caravans,
motorbikes, greyhounds, racehorses, reindeers and Santa's sleigh from Devonport to
Melbourne or vice versa should be no more than the cost of driving 327 kilometres, give or
take, of national highway from Melbourne to Albury.

The distance between the Victorian state border and the Tasmanian state border must be
treated by policymakers, premiers and prime ministers as a national highway. They are not
treating it like a national highway. The distance and cost of surface travel between Tasmania
and the Australian mainland is a national disgrace, not a national highway, and it is time to fix
it. In particular, goods made in Tasmania and shipped to international destinations for export
should and must attract the same rate of compensation as goods shipped for domestic
destinations. The fact that international bound products fail to attract the same transport
compensation rates as products for domestic locations has created a situation where there is a
large disincentive for local businesses to value-add products bound for international markets.
There are examples of raw products being shipped from Tasmanian to the mainland for value-
adding because they attract more money from the Tasmanian Freight Equalisation Scheme.
Those products are value-added on the mainland and then shipped to international markets.

There should be no financial disincentive to value-add in Tasmania and then export to
different countries around the world. I will not accept as a solution to this problem another
review—and another review and another review—from the federal government. We have had
review after review after review after review. What I want to see is some action and extra
cash from this government for the Tasmanian Freight Equalisation Scheme. I do not want to
see any more reviews; the days of reviews are over.

It is time we had a fair dinkum debate about boosting the numbers of our military though a
new national military trade and traineeship scheme. I have spoken to opposition leader, Bill
Shorten, about this scheme. He has listened carefully, and I thank him for his serious
consideration of this initiative. If we placed every full-time member of our Army, Navy and
RAAF in the Melbourne Cricket Ground, we would just half fill it. To put that number in context: one of our nearest international neighbours, Indonesia, has a full-time military strength of about 470,000 and yet Indonesia still receives over $550 million each year in foreign aid from Australia.

My call to reintroduce a form of national military service through a boost in the number of military traineeships and apprenticeships for our struggling young people is not because I want to send them to a war. It is a genuine attempt to repair our degraded national defence capacity and ensure Australia's continued survival while offering a positive, compassionate solution to our record youth unemployment. It is also an attempt to address a national trade skills shortage which was, in part, caused after our military trade apprenticeship scheme was gutted in the early 1990s, following Australia's signing of the UN Convention against the use of child soldiers.

I hope that Prime Minister Abbott next Monday only pays half the attention to my policy suggestion as Labor leader, Mr Shorten, did because trade training and the offer of serving their country would be a lifeline to the young people of Tasmania, especially around my area—Burnie Devonport, Ulverstone, Launceston and the west coast—who are stuck in unemployment queues.

The national broadband scheme, which was trialled in Tasmanian with such fanfare and hope, has come to a stop because this government has told the NBN companies to focus elsewhere, which I find extremely disturbing. Business on one side of the street in Hobart are being connected to broadband and able to quickly trade with the rest of the world while businesses on the opposite side of the street are denied access to NBN technology. Why?

Schools, which should be at the top of the list to be connected to the NBN network, are being treated as residential buildings and denied fibre-to-the-node connections. I spoke with Tasmanian education professionals at a recent NBN community forum in Devonport organised by lower house member Brett Whiteley. These are the messages those education professionals had for this Senate. I quote education professional 1:

From our perspective, what we require is cost effective and affordable internet bandwidth for our school.

So at the moment we've got microwave connection we're already spending about—

I won't go into the amount of money, but it is a considerable amount per month—

… 100 megabytes up and down that students need upload as well as download because a lot of their work is saved to the cloud so that they don't have to have USB or hard drives they can save it on the cloud and access their work from wherever they are as long as they can get internet connection.

So what we need is a very affordable and a large internet access.

I quote education professional 2:

My concern is that under the NBN is that schools are going to be treated as on the same level as a residence, or as a small business.

Whereas each school might have 500, 800 or 1,000 people using the network, we need to be treated as a school, as a node rather than a premise under the NBN.
I quote education professional 3:

Now, if we had a really high speed internet we might be able to collaborate across schools. Now we will have one teacher who will teach Mandarin Chinese instead of trying to get three teachers and factor in travel this lets us actually have one teacher.

You can connect them via a fast internet and you can actually have teachers in the classrooms as well, who not only have the students but they're actually getting an educational learning as well and this could be done with a number of subjects.

Communications minister, Minister Turnbull, who is responsible for the rollout of the NBN, failed at the Devonport community meeting to give a guarantee to the people of Tasmania that the NBN would be rolled out in the two-year period that was promised.

Indeed, there is still a large question mark over the total amount of time it will take to roll out the NBN. And schools have been left unsure whether they will be recipients of NBN fibre-to-the-node service. According to those education professionals who spoke to me, there was a question mark over the capacity of the existing NBN Bass Strait links. My message to the PM is that I would like the NBN to be given priority once again in Tasmania, especially in the north and north-west of the state. When it comes to the NBN we will no longer accept half-hearted excuses for the job not being done.

On the ADF pay issue: I received criticism from some because of my decision to vote against legislation in order to force the government to make a fair pay offer and to return Christmas leave to our service personnel and their families. Ordinarily, I would never use one bad government decision to block a number of pieces of unrelated legislation. However, this decision by Mr. Abbott's team to effectively strip money and leave entitlements away from all members of the Australian Defence Force is extraordinary in its timing, arrogance and level of political cruelty.

The people of Australia could eventually take the view that it was not a smart use of the balance of power and punish me. I cannot let that selfish thinking influence my actions on this matter of principle. Too many politicians make decisions with the thought of receiving something in return. I am prepared to take a stand on ADF pay and veterans' entitlements in the Senate and take that risk because the government has chosen this course of action. They are prepared to steal money, holidays and entitlements from our troops. I could not look at myself in the mirror or the diggers in the eye if I did nothing while I had the power to do something.

There are times when politicians must make decisions they believe are right and in the national interest. For me, this is one of those times. Today we have heard members of this Senate debate how to fix the economic and fiscal mess we are in. I have heard Liberal member after Liberal member in the Senate. What they failed to mention is the fact that the Howard-Costello government sold off $59 billion of government assets to pay off $57 billion worth of Labor debt. I did not hear that. As a matter of fact, I did not hear anything from the Nationals either. There is an arrogance displayed by this Liberal government that has lingered from previous administrations. It can be overcome by the PM changing his ways and listening to the parliament, listening to the community and listening to the men and women of our Defence Force.
There is a bushfire ripping across rural and regional Australia that is, to a large extent, unreported and uncommented on in this place. It is an attack on our most vulnerable communities, small towns and regional cities—outback places and places off the beaten track. It is an attack costing communities jobs. It is an attack on the fabric that holds communities together. And so far, this has gone almost uncommented on in this place.

Government decisions have far-reaching consequences. These may not be apparent at the time. We have heard much this week about the ABC staff cuts. As an Independent senator for Victoria based in the regional city of Ballarat, I note the impact this will have on regional communities. My colleague from the Nationals, Senator McKenzie, has been vocal in her concerns. She has noted publicly the planned demise of the long-running ABC radio program, Bush Telegraph. Senator McKenzie has commented on the show’s importance in reporting on rural and regional issues, and the opportunities it gives to rural and regional reporters.

As part of the cuts, the ABC office in Newcastle will be downgraded. Additionally, small ABC offices in Port Augusta, Gladstone, Nowra and Wagin will be closed. Plus, in my home state of Victoria, the ABC office in Morwell will be shut. Morwell is already a community under siege. I travel regularly to Gippsland and I see how people down there are doing it hard. I see empty shops, deserted factories and kids on the streets at night across Gippsland. If ever there were forgotten people, I would say that the good people of Morwell are part of that. This decision by the ABC to withdraw from that community is another case in point. Groups as diverse as the National Farmers’ Federation have voiced their concern about cuts to ABC regional programming. And what has ABC management promised in return? A new ABC regional division. But I will not be holding my breath.

The CEO of Fairfax, Greg Hywood, has been making promises about his company's rural and regional division. Mr Hywood has been touring country newspapers across Australia since shortly after his appointment to the position in 2011. He has been telling country Fairfax employees that the company needed to reorganise. 'But don't worry,' he said, 'Fairfax will continue to invest in quality journalism.'

So, tonight I wish to draw to the attention of the Senate the slash-and-burn approach of another media company apart from the ABC. I want to put on record the devastation being caused across regional and rural communities as Fairfax starves to death its newspapers and staff in its rural and regional division. Australian Community Media—I am told that is the current name of the regional and community division of Fairfax Media. Last month, it announced another major restructure. These events are always described in corporatespeak: 'major restructure'. These are just words for 'slash and burn'.

There are many small Fairfax newspapers across the country. These include dailies such as the Newcastle Herald, the Illawarra Mercury, The Examiner in Launceston, The Courier in Ballarat, the Bendigo Advertiser, The Border Mail in Albury-Wodonga and The Standard in Warrnambool. There is also the Latrobe Valley Express, which I have had much to do with, as well as The Guardian in Swan Hill. And in the town where I have my workshop, Hepburn Springs, I have been reading The Advocate, as well as appearing in its pages, for close to 40 years. All are great newspapers with a long history of serving their communities.
This so-called restructure is the precursor to the biggest attack on regional journalism ever seen in Australia. This attack is predicated by a company which has only survived in recent years due to the profitability of these very same newspaper operations. I understand Fairfax has distributed a proposed new editorial and sales structure for south-west New South Wales, encompassing *The Daily Advertiser* at Wagga and several small non-daily publications. This proposed new structure will cut editorial staff by almost half. It will include removing all local sub-editing, reducing dedicated photography to a sole employee and removing support for editors by making senior roles including chief-of-staff, sports editor and night editor redundant. After a consultation process some positions have been saved, but I am told 25 per cent of staff will still go. The restructure will continue in Victoria, I am told, and the whole of the regional network will be impacted in the next 18 to 24 months.

It is expected that, unlike the metro slashing of subbing and photography, the work will not be outsourced to Pagemasters or Getty Images. Instead, sites will be required to find internal solutions for subbing and photography; and both duties will largely fall onto the shoulders of reporters. Effectively this will mean less time reporting and more time producing content. With fewer resources to manage the newsroom, there will be some errors; there will be less time for research and reporting of real news and real stories. There will be more reliance on press releases and quick-fix 'churnalism'. And there will be more bad grammar—oh, the quality of writing in the newspapers these days! I am told that any suggestion by Fairfax that a similar news structure will not be implemented more broadly across its regional network is laughable. As I say, Victoria is next on the company's hit list and I am told the cuts will be severe.

What is most ironic about this is that Greg Hywood, the CEO of Fairfax, continues to spout his intentions to invest in quality journalism. Some newspapers in the country Fairfax stable have histories stretching back 150 years. All of these newspapers have successfully adapted to the challenges of the digital age by expanding online audiences and revenues. Yet this has meant bugger-all in the face of the required cost savings, which are predicted to be $40 million in this financial year alone. I understand that Mr Hywood outlined this figure openly in his address to the annual general meeting recently. I am told there is significant fear amongst Fairfax's regional staff. The quality of our press, the quality of our journalism, the ability of our reporters and our photographers to operate without fear or favour and to be adequately resourced is a cornerstone of our democracy. I voted against the National Security Legislation Amendment Bill (No. 1) 2014 not least because of its impact on press freedom and the ability of journalists to do their job. There is no doubt our media is under attack in this country. This attack is coming both from government legislation as well as economic and technological change. There is no doubt that people working across all sectors of the media, including those in rural and regional Australia, face an uncertain future.

You may ask what business is it of the parliament how private companies run their business. Companies like Fairfax have a duty of care that goes beyond the bottom line. Companies like Fairfax that have built years of profit and shareholder value from rural and regional communities must act responsibly in the way they face their current business challenges. And to those people living in those small and regional communities, my message is this: do not take this lying down. I personally know how important your local newspaper is. I know firsthand that the stories of local shows and weddings, church and school events,
sporting wins and defeats, births, deaths and marriages are the fabric of your lives. Do not take this lying down, I say. It has been reported that Fairfax is looking to close up to 60 regional newspapers. It has been reported that Fairfax is sacking sales staff as well as journalists across our country towns and cities.

In crisis there is opportunity. To the people of rural and regional Australia: if your newspaper is dying, if the big shots in Sydney are killing your local paper, start your own. That has happened in my home town of Hepburn Springs where a former Fairfax journalist, Donna Kelly, and her husband launched a paper appropriately called The Local. In the shire of Moorabool, a short distance away, Helen Tatchell has been successful in taking on both Fairfax and Leader Newspapers with her vibrant weekly The Moorabool News. There are many ways to skin a cat. There are many ways to tell the news effectively and cheaply. So I say this to local communities where the Fairfax paper is being strangled by senior Fairfax management: take heart, take control and take back the heart and soul of your local town. Start your own blogs on local events, use volunteers, use local knowledge, get people involved. The time to act is now.

Senate adjourned at 20:30

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.]


Civil Aviation Act 1988—

Civil Aviation Regulations 1988—Determination — meteorological minima for landing or taking-off at aerodrome—CASA 270/14 [F2014L01579].

AD/BEECH 35/63 Amdt 1 [F2014L01575].
AD/BEECH 36/37 Amdt 1 [F2014L01576].

Commissioner of Taxation—Public Rulings—


Self Managed Superannuation Funds Determination SMSFD 2014/1.

Higher Education Support Act 2003—

Higher Education Provider Approval—No. 5 of 2014 [F2014L01578].

VET Provider Approval—No. 66 of 2014 [F2014L01577].

Tabling

The following documents were tabled:

Immigration—Asylum seekers—Transfield Services investigation report—Letter to the President of the Senate from the Assistant Minister for Immigration and Border Protection (Senator Cash), dated 27 November 2014, responding to the order of the Senate of 24 November 2014.

Environment—Queensland—Abbot Point—

Letter to the President of the Senate from the Minister for Finance (Senator Cormann), dated 27 November 2014, responding to the order of the Senate of 25 November 2014.

Letters from the Assistant Secretary, Queensland and Sea Dumping Assessment Branch (Ms Callister) to the Minister for Economic Development Queensland (Mr Seeney) [2], dated 5 November 2014 and attachments.