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SITTING DAYS—2014

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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

Deputy Leader of the Palmer United Party in the Senate—Senator Jacqui Lambie

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

Deputy Palmer United Party Whip—Senator Jacqui Lambie

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

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

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

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<tr>
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<th>Senator</th>
<th>Party</th>
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<tr>
<td>Australian Capital Territory</td>
<td>Lundy, K.</td>
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<td>CLP</td>
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<td>ALP</td>
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(1) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice R. Carr), pursuant to section 15 of the Constitution.

**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>
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</thead>
<tbody>
<tr>
<td>Prime Minister</td>
<td>The Hon Tony Abbott MP</td>
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<tr>
<td>Minister for Indigenous Affairs</td>
<td>Senator the Hon Nigel Scullion</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for the Public Service</td>
<td>Senator the Hon Eric Abetz</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for Women</td>
<td>Senator the Hon Michaelia Cash</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon Josh Frydenberg MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon Alan Tudge MP</td>
</tr>
<tr>
<td>Minister for Infrastructure and Regional Development  (Deputy Prime Minister)</td>
<td>The Hon Warren Truss MP</td>
</tr>
<tr>
<td>Assistant Minister for Infrastructure and Regional Development</td>
<td>The Hon Jamie Briggs MP</td>
</tr>
<tr>
<td>Minister for Foreign Affairs</td>
<td>The Hon Julie Bishop MP</td>
</tr>
<tr>
<td>Minister for Trade and Investment</td>
<td>The Hon Andrew Robb AO MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Foreign Affairs</td>
<td>Senator the Hon Brett Mason</td>
</tr>
<tr>
<td>Minister for Employment  (Leader of the Government in the Senate)</td>
<td>Senator the Hon Eric Abetz</td>
</tr>
<tr>
<td>Assistant Minister for Employment  (Deputy Leader of the House)</td>
<td>The Hon Luke Hartsuyker MP</td>
</tr>
<tr>
<td>Attorney-General</td>
<td>Senator the Hon George Brandis QC</td>
</tr>
<tr>
<td>Minister for the Arts  (Vice-President of the Executive Council)  (Deputy Leader of the Government in the Senate)  Minister for Justice</td>
<td>Senator the Hon George Brandis QC</td>
</tr>
<tr>
<td>Treasurer</td>
<td>The Hon Michael Keenan MP</td>
</tr>
<tr>
<td>Minister for Small Business</td>
<td>The Hon Joe Hockey MP</td>
</tr>
<tr>
<td>Acting Assistant Treasurer</td>
<td>The Hon Bruce Billson MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Treasurer</td>
<td>Senator the Hon Mathias Cormann</td>
</tr>
<tr>
<td>Minister for Agriculture  Parliamentary Secretary to the Minister for Agriculture</td>
<td>The Hon Barnaby Joyce MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Agriculture</td>
<td>Senator the Hon Richard Colbeck</td>
</tr>
<tr>
<td>Minister for Education  (Leader of the House)  Assistant Minister for Education</td>
<td>The Hon Christopher Pyne MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Education</td>
<td>The Hon Sussan Ley MP</td>
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<tr>
<td>Senator the Hon Scott Ryan</td>
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<tr>
<td>Minister for Industry  Parliamentary Secretary to the Minister for Industry</td>
<td>The Hon Ian Macfarlane MP</td>
</tr>
<tr>
<td>Minister for Social Services  Assistant Minister for Social Services  (Manager of Government Business in the Senate)  Minister for Human Services  Parliamentary Secretary to the Minister for Social Services</td>
<td>The Hon Kevin Andrews MP</td>
</tr>
<tr>
<td>Minister for Social Services  Assistant Minister for Social Services  (Manager of Government Business in the Senate)  Minister for Human Services  Parliamentary Secretary to the Minister for Social Services</td>
<td>Senator the Hon Mitch Fifield</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Social Services</td>
<td>Senator the Hon Marise Payne</td>
</tr>
<tr>
<td>Senator the Hon Concetta Fierravanti-Wells</td>
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<tr>
<td>Minister for Communications  Parliamentary Secretary to the Minister for Communications</td>
<td>The Hon Malcolm Turnbull MP</td>
</tr>
<tr>
<td>Minister for Communications  Parliamentary Secretary to the Minister for Communications</td>
<td>The Hon Paul Fletcher MP</td>
</tr>
<tr>
<td>Minister for Health</td>
<td>The Hon Peter Dutton MP</td>
</tr>
<tr>
<td>Minister for Sport</td>
<td>The Hon Peter Dutton MP</td>
</tr>
<tr>
<td>Assistant Minister for Health</td>
<td>Senator the Hon Fiona Nash</td>
</tr>
<tr>
<td>Title</td>
<td>Minister</td>
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<tr>
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</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>Senator the Hon Michael Ronaldson</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>Senator the Hon Simon Birmingham</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>Parliamentary Secretary to the Minister for Finance</td>
<td>Senator the Hon Michael Ronaldson</td>
</tr>
<tr>
<td>Special Minister of State</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>
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<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 Bernie 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>
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</tr>
<tr>
<td>Shadow Minister for Women</td>
<td>Senator Claire Moore</td>
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<tr>
<td>Manager of Opposition Business (Senate)</td>
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<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>
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<tr>
<td>Shadow Parliamentary Secretary for Trade and Investment</td>
<td>Dr Jim Chalmers MP</td>
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<tr>
<td>Deputy Leader of the Opposition in the Senate</td>
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<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 Brodtmann MP</td>
</tr>
<tr>
<td>Shadow Minister for Infrastructure and Transport</td>
<td>Hon Anthony Albanese MP</td>
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<tr>
<td>Shadow Minister for Cities</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Regional Development and Local Government</td>
<td>Hon Julie Collins MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Regional Development and Infrastructure</td>
<td>Hon Alannah MacTiernan MP</td>
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Wednesday, 1 October 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 and returns to order in accordance with the list circulated in the chamber.

details of the documents also appear at the end of today’s Hansard.

COMMITTEES

Foreign Affairs, Defence and Trade References Committee

Meeting

The Clerk: A notification has been lodged for the Foreign Affairs, Defence and Trade References Committee to hold a private meeting during the sitting of the Senate today, from 9.40 am.

The PRESIDENT (09:31): I remind senators that the question may be put on any proposal at the request of any senator.

BILLS

Social Services and Other Legislation Amendment (2014 Budget Measures No. 1) Bill 2014

Social Services and Other Legislation Amendment (2014 Budget Measures No. 2) Bill 2014

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator RHIANNON (New South Wales) (09:32): I follow my colleague Senator Siewert, who has led for the Greens on these bills, setting out our clear opposition and why that opposition needs to be loud and very clear. These bills would bring in structural change to our social system that would result in a much more divisive society, a society where effectively people are excluded from opportunities. I am committed to—and I hope all senators would be committed to—ensuring that people are not disadvantaged because of where they live, because of economic issues or because of their level of ability in our society. This is very cruel, very mean legislation that warrants the widest opposition. I believe that, when the history of the Abbott government is written, this will be an example of the extreme aspects of this government that have set it apart; it is ruthless in how it approaches our economy, our social structure and the very nature of our democratic society.

The harshest cuts in this budget hit the most vulnerable. They are widespread—and I will come to aspects that hit people who want to undertake tertiary education—but the essence of these bills, if they become law, is that they go after the most vulnerable. This legislation deserves to be universally rejected. The Greens take that very strong position because we
have had a longstanding policy of a commitment for guaranteed adequate income for all. It is a policy that we are all very proud of, because it recognises that people have different circumstances in their lives and that at all stages people should have a guaranteed adequate income so that there is common decency for all.

People should not be put in the position of having to sleep rough, of having to think twice about whether they can afford to buy medicine; where their children have no opportunity to gain a decent education; where they may not be able to send their young children on excursions. That guaranteed adequate income has been Greens policy for a long time. So when we approach legislation like this, we see the great harm that it would do, because it effectively removes this safety net that is so important.

This legislation really does contain some the cruellest welfare cuts in this budget. It is about ripping out millions of dollars; it is the theme that we have seen through the whole budget where the government has targeted the disadvantaged to make its savings. My colleague Rachel Siewert has set out very clearly the detailed problems with this legislation.

I would like to go into how this legislation hits students who wish to undertake higher education. This is where we do see a slash and burn approach with the government looking to save at least $300 million. The big change is in relocation scholarships. Students whose parents live in a major city would not be able to relocate to another major city and receive the relocation assistance—and the relocation assistance really makes a huge difference. I know many students who have received that relocation scholarship and they tell me that it made all the difference in their being able to proceed with the course that they had their heart on and to go to the university where that course was provided. One example is a young man who was living in the lower Blue Mountains and was able to go to Sydney University. I heard of a person in Brisbane who wanted to go to Sydney University to study vet science, and that opportunity was there because of the relocation assistance. It is not a huge amount of money; it adds up to about $7,000 through the course of an undergraduate student's life. It starts at a bit over $4,000 per year. That money is essential for all those basic costs—like the huge burden of rent which, you would all agree, can make life very tough when you hit Sydney. For basic living costs such as food and rent, that relocation assistance has been all-important.

Now we have these very cruel measures that, looked at individually, people might think, 'It's no big deal.' But for a single person undertaking their studies, they can really make life hard. The major cities include the capital cities, Newcastle, Wollongong, Central Coast and Gold Coast. If you wanted to move from one to the other, because your parents live in one of those areas, that would no longer be possible. I really would argue that it will further disadvantage and prevent many people being able to proceed with the education that they have worked so hard to undertake.

We also need to remember, when we are looking at this aspect of the legislation—which is about how students study and how they are going to live—that it further undermines the argument that we so often hear from the Minister for Education, that it is critical to the future of higher education that we make it competitive, that that will sort out the problems, solve the government's funding problems, give students all the choice—all those things that we hear ad nauseam from the minister. But when you look at what is going on here, with regard to the relocation scholarships, you see how this competition argument falls down, because Australia's vast geography is clearly a limiting factor. It does put a shadow on how people
make their decisions, and the relocation scholarship has brought some balance to it. There can be no competition if you cannot afford to move cities to access a course. You might have your heart set on a specific course at a university in a capital city and want to move from one capital city to another. That would now be removed. If the government is successful with this legislation we will end up with a situation where it will be limited to the wealthy who would have the ability to assist their children to shop around, while low-income students from disadvantaged families, from working class families, would have no choice other than to study at the university that is closest to them. That is not competition. That is creating a very divided society—limiting opportunities for people and limiting Australia's potential—because, without ensuring that education is freely and widely available to all, we clearly limit our own innovative potential.

With regard to the relocation scholarships, I want to share with senators some very useful comments that came from the Australian Technology Network. The Australian Technology Network comprises five leading Australian universities. They teach well over 200,000 students. They do this at universities across the country and I think they have some centres overseas as well. When you look at the ATN's work you will see that they have put a great deal of effort into the issues of access and equity with regard to the ability of students being able to access their universities. They have made some comments on different aspects of how the government is trying to change the higher education system. On what we are addressing here now, the relocation scholarship, they said:

It may force some students to undertake longer hours of paid work; withdraw from their course; or reduce their study load.

They went on to say that they anticipate that taking away the scholarships could simply lead to recipients moving on to other social welfare payments like the Newstart allowance. They are very useful comments from the ATN. They identify the pressure that students are under when they undertake their studies and that removing the relocation scholarship could put them under more financial pressure—how they would cope with that. If you have to study for longer hours, a point comes when you cannot do your studies properly or you cut back on the level of your involvement in study, and that is not healthy. They also make the very valid point that people not able to allocate their relocation scholarship could well end up on another form of social welfare payment, such as Newstart allowance. So, by approaching it in the way that the government has by trying to save money—which I think has caught up with their elitist approach, but let's just talk about it in the context of saving money—would they save money if so many of those young people end up on the Newstart allowance? Again, it underlines the very narrow approach that we see—the sectional approach to higher education that the government is undertaking.

There are some more aspects to the way the government is planning on saving money in this bill when it comes to higher education and those are to do with the student support payment and the Income Bank. The student support payment is a form of youth allowance. It currently rises according to average male weekly earnings. Under this legislation the government wants to change that to the CPI, the consumer price index. Why does the government want to do that? Because the CPI rises at a much lower rate than the average male weekly earnings. So, clearly, over time they would save money. The government saves money, but, with the already small amount of money that students try to live on, it means less
money for students to pay for rent and food—their living expenses. That means that the level of hardship will increase over time as the cost of living rises, but the amount of money that students receive from their student support payment rises more slowly. When the minister was getting advice on this, they might have said, 'It's really only a small amount.' When you are already on such a small amount of money—with which you need to try to pay your rent, catch transport and buy food—having your weekly allowance reduced by a small amount is very significant and can really make a difference to how you live and do your studies. Surely we should be working to improve the living conditions of students so that they are not under even extra pressure when they undertake their studies.

Another way the government plans to cut students' income is through changes to how the Income Bank operates. At present, students can earn a certain amount of money without losing their student support payment. That is obviously fair. As a student's income rises above a certain amount, their student support payment is reduced. Again, that is part of the current system. The cut-off point rises according to the CPI. Again, I would say that was fair. Clearly, the amount that one could earn would not stay static. But now it will not be increased, which means that over time the amount students can earn without losing money from the student support payment will effectively be reduced. I guess the minister was advised, 'It's very insignificant; it'll only be a small amount,' but, over time, this becomes very significant. If the amount at which your payments start to be reduced becomes lower and lower, over time that brings more hardship.

These bills are another example of how cruel this government is. It has come up with a set of measures in these bills for people on welfare, people on virtually any form of government payment that is to assist those who are doing it tough—single parents, elderly people, the unemployed, students trying to gain a higher education. The government is pulling money off them left, right and centre. This is legislation that should never even have been drafted, it is insidious and it represents the very ugly side of neoliberalism that this government is now determined to bring in, and it should be defeated and defeated soundly. I move the Greens amendment circulated in Senator Siewert's name:

At the end of the motion, add:
"but the Senate is of the opinion that, rather than punishing the vulnerable and most disadvantaged, revenue should be raised from big miners, bankers and polluters through:

(a) applying a 'public insurance' levy on the big four banks that are too big to fail;
(b) removing fossil fuel subsidised fuel for big mining companies;
(c) implementing the original super profits mining tax;
(d) imposing a millionaires' tax;
(e) taxing discretionary trusts as corporations".

That would certainly bring some balance back to how this government conducts itself. The amendment addresses many of the issues my colleague Senator Siewert addressed.

Senator REYNOLDS (Western Australia) (09:47): I rise to speak on the Social Services and Other Legislation Amendment (2014 Budget Measures No. 1) Bill 2014 and the Social Services and Other Legislation Amendment (2014 Budget Measures No. 2) Bill 2014. Responsible governments do not take the easy way. They do what is right, they do what they are elected to do, and that is rarely, if ever, the easy way. This budget calls on everyone and
every business to contribute and to grow the workforce, to boost productivity and to help
build a stronger economy through more productive investment. It will do this while
supporting the most vulnerable and it will also take significant steps towards ensuring that as
a nation we once again live within our own means.

I believe good governance means ensuring that every taxpayer dollar is wisely spent and, in
particular, that the welfare budget is as effectively targeted as possible to those in most need
at the time. Those on the other side of this chamber often talk about fairness as if their point
of view on what is fair and what is right is the right opinion and everybody else in this
chamber is wrong—or, worse, that we are unfair and uncompassionate. The truth is that
nobody in this place has a mortgage on compassion. Instead, we have differing philosophical
perspectives on social policy outcomes.

For example, unlike those opposite, I believe that it is neither fair nor just to saddle our
children and grandchildren with this generation's prolific debt, racked up so swiftly by the
previous government. Sadly, this debt was used by the Labor government on recurrent
expenditure to avoid taking the tough decisions that needed to be made over their six years in
government. It was not used to nation-build, and today we are all saddled with that legacy. I
believe this was simply bad governance and also irresponsible governance. That is not what
the coalition government was elected to do. While we were not responsible for the
circumstances in which we found the country, we have certainly taken responsibility for
fixing it.

I agree with Ronald Reagan, who famously said, 'We should measure welfare’s success by
how many people leave welfare, not by how many are added,' and that welfare's purpose
should be to eliminate the need for its own existence. To me, this is the most compassionate
outcome.

The context of any legislation is always very important and, in the context of this budget,
understanding the starting point for the Abbott government is critical. Labor's budgetary
legacy is a shameful one. Despite all of their rhetoric in this place and all of their spin, they
presided over the fastest budget turnaround in Australia's history, with the sixth-largest budget
deficits ever. In fact, gross debt was projected to rise to $667 billion and $123 billion in
cumulative deficits for the Australian taxpayers to pay back. This was the starting point 12
months ago for the Abbott government and for our first budget in May this year. This is what
Labor did in just six years, so let us have a look at what the Abbott government has already
done in its first year. We have already reduced Labor's deficits by $43.8 billion through to
2017-18 and gross debt has now been forecast down to $389 billion in 2013 compared with
the $667 billion that Labor left us. This includes provision for future tax relief to address
bracket creep. But there is still much more to be done.

A key component of any budget is social security and ensuring that spending is sustainable
into the future. All government programs must evolve and change over time to ensure they are
sustainable. Change never just happens; it requires deliberative and often tough decisions by
government. Nowhere are these decisions tougher or more important than in social security.
The 2014-15 budget includes $146 billion in social security spending, which is a full 35 per
cent of the total federal budget. In 2013-14, spending on the age pension alone will reach $40
billion for the first time in our history. We must do everything we can to ensure that it is well
targeted and most effectively spent.
The Senate Community Affairs Legislation Committee, of which I am a member, noted in its inquiry into these bills that the changes proposed in both these bills are motivated by a desire to ensure a more sustainable welfare system. These measures seek to strike a balance between providing incentives toward greater individual responsibility and self-reliance and providing support to the most vulnerable members of our community, who need our support the most. The committee also noted that there was generally a high degree of support among submitters to the inquiry for the general intent of the bills, particularly the need to better target payments to those who most need them and to provide incentives for greater workforce participation. The committee recognised submitters' concerns regarding specific provisions of the bills but was satisfied that the measures are accompanied by appropriate safeguards to address these concerns. A number of the measures in these bills are based on the premise that everyone who can contribute to the economy should contribute, but we also acknowledge that not everybody can contribute in the same way. On this side of the chamber, we also believe that young Australians under 30 years of age who are able to work full-time should be either earning or learning. I believe most Australians would agree that it is reasonable to expect that our young should be earning or learning and not becoming, so early in life, welfare dependent. I was in Tasmania earlier this month, and those appearing before the Community Affairs References Committee looking into income inequality acknowledged that the best pathway out of poverty is employment. A job is always the best form of welfare. Like many others on this side of the chamber, I have been dismayed by Labor's misleading claims and that have unnecessarily and, I would argue, cruelly upset so many in our community—often the most vulnerable.

Why are these measures so important now? The 2010 Intergenerational report projected that the ratio of working-age to pension-age Australians will fall from the present day five to one to around 2.7 to one by mid-century. This means that there will be fewer and fewer Australians participating in the workforce and paying tax to support those on the age pension. Without policy reform, the cost of the age pension is projected to increase by 70 per cent over the next decade, from almost $40 billion a year currently to $68 billion a year—a drain indeed on the next generation of taxpayers.

When the age pension was instituted in 1909 with an eligibility age of 65, average Australian life expectancies were 55 for men and 59 for women. Over the past century, average Australian life expectancies have lengthened by at least 25 years. Despite the claims from those opposite, this budget does not deliver any cuts to the age pension. It will continue to increase twice a year to keep up with the cost of living. In fact, the last increase was based on a cost-of-living increase which was higher than the increase in male total weekly earnings.

In conclusion, structural changes are being made to ensure the long-term sustainability of the budget and our social security system and to ensure that pensions remain a viable payment into the future. Targeted welfare payments are about making sure that we spend every taxpayer dollar in the most efficient way possible to ensure the Australians who need support get it and the Australians who are able to work do so. It is for these reasons that I commend these bills to the Senate.

Senator McEWEN (South Australia—Opposition Whip in the Senate) (09:56): I am pleased to be able to make a contribution today to the Social Services and Other Legislation Amendment (2014 Budget Measures No. 1) Bill 2014 and the Social Services and Other
Legislation Amendment (2014 Budget Measures No. 2) Bill 2014. As we know, the 2014-15 federal budget was a tough, unfair and cruel budget for most Australians. That probably explains why we are here, in September, some months after the budget was released and the budget still has not got through the Senate chamber. The people of Australia understand what a harsh and punitive budget it is, as do we on this side of the chamber and, apparently, our crossbench colleagues.

As well as the well-known inclusions—like the GP tax and much publicised increase to university fees that will particularly disadvantage women—families, the elderly, the unemployed and those with a disability will be hit even harder if this legislation passes through the Senate. The Community Affairs Legislation Committee investigated these bills and Labor senators put in a dissenting report which goes to the issue of the Abbott government's justification to introduce its punitive and harsh federal budget—that is, that there is some economic crisis in Australia and that welfare spending is out of control. Labor senators in their dissenting report to the Community Affairs Legislation Committee report clearly outlined that there is no budget emergency in Australia and that welfare spending is not out of control. That cannot be used as a justification for the harsh cuts in this budget. In fact, Labor senators pointed out that Australia's fiscal position remains fundamentally strong and that Australia has a low debt to GDP ratio, a AAA credit rating from all of the major rating agencies, low inflation and relatively low unemployment. We do not accept that there is justification for these cuts.

So you would have to ask: why are the government targeting the already most disadvantaged people in our community through their budget cuts? Why didn't they implement a budget that went after the big corporate end of town who, as we have heard this week, are seriously good at avoiding paying income tax? And why did they repeal good legislation like the mining resource rent tax that meant that big corporates would pay their fair share of tax on Australia's mineral resources? They took what they thought was going to be the easy option and targeted people who were already doing it tough and now they have come up against the Australian public, who do not like that kind of attitude from their government. They believe that a government should look after the people in our community who most need it.

Some of the most appalling aspects of these bills are in their sphere of income support for people who are unemployed or on a pension. If these bills were to pass the Senate, many young job seekers would be forced to live without any income for six months each year. I made some comments about that in my adjournment speech last night, but I reiterate that that situation would be catastrophic for young people. It would lead to more homelessness and financial crisis for young people and, if they had any income or support, they would have to manage it to the extent where they would probably forgo medical care—and, even worse, would they be able to feed themselves? It potentially makes it much harder for young unemployed people to find a job if they are unable to afford public transport to get to a job interview or, as I said last night, unable to afford suitable clothing or a haircut to make themselves presentable for a job. There is no indication anywhere that such measures actually assist young people who are unemployed for extensive periods of time back into work. We know that what does work with young people who are unemployed is intensive case management and real support to get into jobs.
We note also that the proposed changes to the family tax benefits will inflict more pressure and hardship on families, especially low-income earners and single parents, who already struggle to find the money necessary to support their children going to school and accessing health services for them. The proposed changes to eligibility requirements mean that the value of pensions will decrease over time and that people will have to wait longer to receive the age pension. Increasing the age at which people can receive the age pension to 70 years by 2035 will also cause hardships and suffering for many Australians, especially for lower-income earners and blue-collar workers, who physically cannot work longer than they already do.

Newstart allowance recipients who leave a job or refuse work without good reason will no longer be able to have the resultant eight weeks of nonpayment waived on hardship grounds, and those who do not meet the onerous activity requirements proposed by the government will only be able to have the eight-week penalty waived once during each of their periods on Newstart. Eight weeks is too long to deny people support. Again there is no justification for this and no hard evidence to suggest how this would actually help people back into the workforce.

I note also changes in the portability allowance for disability support pensioners that will see people's DSP payment cancelled if they are overseas for longer than four weeks. That measure, combined with a number of other changes that will adversely affect people with disability and their carers—including indexing the disability support pension and the carer payment by CPI only and cessation of the pensioner education supplement—is basically not fair. Australians do not choose to become disabled, but the government seems intent on implementing measures that punish them for being disabled.

Labor senators will of course oppose the majority of the measures in these bills. As the report from Labor senators on the Senate Community Affairs Committee inquiry into these bills suggests, there are some measures that may get Labor support but, overall, Labor senators are opposed to this budget and the dreadful things that it contains. I am sure that all senators have been receiving considerable correspondence from constituents about the likely impacts of these budget measures upon them. I thank all those constituents who have written to me about their concerns about what will happen to them and their family situations if these punitive budget measures get through.

I note one email correspondence, Michael, who said in an email to me: 'As a person who has to be very careful to make ends meet on the pension, I am not sure how I would manage if my income was reduced in any way. I understand that the proposed changes to the way the pension is indexed would mean a cut of $80 a week over 10 years to the single pension, which seems like a huge amount when it is already a stretch for me to pay my bills, buy my groceries and get to important appointments.' There are many other emails along the same line from constituents just like Michael who are already doing it tough. Frankly, for those of us in here, $80 a week is probably not a lot of money. But for someone like Michael, who has to think twice about whether he can afford that bus ticket or whether he can afford to go to the doctor and pay that $7 GP tax, it is a very large amount of money. As a compassionate nation and a very wealthy nation, we should be supporting people like Michael. We should be using our wealth to support people like Michael. We should not have governments that attack people like Michael.
I mentioned Michael. Of course, it is not just Michael who is saying that this is a bad budget. Organisations like ACOSS have been very critical of the budget. I note that the CEO of ACOSS, the Australian Council of Social Services, Dr Cassandra Goldie, has said that changes to the pensions proposed in these bills reduce further increases in pensions for the poorest older people, in effect freezing the real value of the maximum rate of the age pension, and she mentions the $80 a week as well. ACOSS, as we know, works very hard to support low-income and welfare recipients in Australia. I thank them for their work. ACOSS notes that pensioners who already live on around $20,000 a year just cannot afford any further cuts or reductions in their age pension income or in the way age pensions are calculated. Labor is very passionate about protecting age pensions. When we were in government, we worked very hard to ensure the biggest increase in the age pensions for more than 100 years. I well remember many pensioners writing and thanking the Labor Party senators and members of parliament who worked very hard to manage our budgets to ensure that pensions and pension increases were a focus.

I will conclude my remarks shortly, partly because I do not think my voice is going to hold up much longer. I am pleased to stand with other Labor senators in opposing the harshest aspects of the Abbott government’s federal budget. There are no redeeming features of the budget. It is an unnecessary budget. We know that Treasurer Hockey is getting himself into all kinds of contortions today to try and explain why this budget has not been passed by the Senate. He is putting a lot of pressure on the Senate crossbenchers to cave in and accept some of the worst aspects of this budget, particularly in regard to pensions and how the budget treats welfare recipients including unemployed people, especially young unemployed people. I urge our crossbench senators to remain resolute and strong and join with the Labor Party to oppose the worst excesses of the Abbott government’s current federal budget.

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (10:09): I rise to speak on the Social Services and Other Legislation Amendment (2014 Budget Measures No. 1) Bill 2014 and the Social Services and Other Legislation Amendment (2014 Budget Measures No. 2) Bill 2014. These bills are the mechanism by which the government wishes to implement all its heartless, selfish and un-Australian cuts to Australian pensioners, young job seekers and families. Australians believe in a fair go and helping each other out. It is a principle of mateship that underpins the Australian ethos. We believe that we should help those who are less fortunate.

The bills we are discussing today are the very definition of unfair. They target those who can least afford to lose any income at all. It is just another unfair part of an unfair budget. We know for fact from the Treasury analysis that those opposite removed from the budget papers and tried to keep hidden that Australians on lower incomes will be hit harder by this budget than those on higher incomes. These bills taken together would leave millions of Australians worse off and, by Mr Hockey’s own analogy, those on low incomes are expected in this budget to do most of the lifting.

These bills include the measure to index pensions by CPI instead of wages, an attack on 3.2 million age pensioners, disability support pensioners, carers and single parents. They include measures to cut family tax benefit B when a child turns six, an attack on around 600,000 single parents and single income families. They include measures to cut young job seekers off Newstart for six months, an attack on a generation of young people looking for work that will
push them into hardship and poverty. And they include measures to abolish the seniors supplement, a further attack on senior Australians. The Australian people did not vote for this.

The debate on this bill today is a very, very important one. As I said in the MPI debate last week, almost every Australian is affected or cares for somebody who is affected by the changes in this bill. These cruel cuts to pensions, family payments and young job seekers do not hurt faceless, fairytale bludgers out in tabloid TV land; these changes hurt Australians—Australian grandmothers, mothers, nieces, nephews, brothers and sisters. For those listening at home, these changes could hurt your aunt, your sister, your grandparent, your son or your daughter—the list goes on and on.

These cuts do not hurt abstract figures on a spreadsheet. It is your family and your friends who are being hurt by these cruel cuts. It is people you care for who will be affected—real people. These cuts cannot and should not be looked at in the cold, calculating way that this Liberal government have been looking at them. It is real people who will be hurt and the Liberal and National senators opposite should have the courage to go out into the community and look those people in the eyes and explain to them why they think that those who are least well off in our society should have to pay more than those with a higher capacity to pay.

The government say there is a budget emergency—unless the Treasurer goes to New Zealand, in which case there is no budget emergency—and that is why they have to introduce these cruel and savage cuts to pensioners, young job seekers and families. We all know that that is absolute rubbish. Two weeks ago, a group of 63 leading economists, including former Treasury Secretary Bernie Fraser, the Executive Director of the Australian Institute Richard Denniss, and academics from the University of Sydney, University of Adelaide and University of Melbourne put their names to a statement rejecting the idea that Australia is facing a budget emergency. The statement says:

'Australia’s ability to manage public debt is very strong', with the country not facing 'any present or imminent debt crisis'.

Major spending reductions by the commonwealth government are economically unnecessary and socially damaging. The first priority of Australian fiscal policy should be to strengthen investment, employment and growth. Government can and should pursue this priority without jeopardising its long-run fiscal strength and stability.

... ... ...

The most effective route to restored fiscal balance is to help more Australians find work, earn incomes, and pay taxes ... major and unnecessary reductions in government program spending and public sector employment would have the opposite effect.

So there you have it: the whole explanation for the need for this bill blown completely out of the water by 63 leading economists. The truth is that the Prime Minister and the Treasurer have concocted a budget emergency to try to con people into accepting some of the most radical cuts in our nation’s history. If there really was a budget emergency, the government would not be proceeding with a $22 billion plan to give $50,000 to wealthy women having babies. I know their Paid Parental Leave Scheme for millionaire mums is not supported by many on their own side. The Liberal senators opposite must be extremely frustrated that we are here today to debate Liberal cuts to pensions when they are giving large cash handouts to those who need it the least. That is fairly hypocritical.
The second falsehood is that Australia's welfare spending is out of control. It is not. Across the OECD, we spend less on welfare than any other country except Iceland. If we look at the figures we can see that welfare expenditure in Australia accounted for just 8.6 per cent of GDP in 2013 compared to the OECD average of 13 per cent. Recently, the Melbourne Institute released a report which clearly indicated that Australians are also dramatically reducing their dependence on welfare. In 2001, 23 per cent of working-age people in Australia received a welfare payment each week. In 2011, that had dropped to 18.5 per cent. Australian's need for welfare is not 'spiralling out of control', as those opposite would argue, but is actually decreasing and it is decreasing significantly.

So what is the reason for these measures? Why such a tough budget? Why all the cuts in these bills? Mr Hockey and Mr Abbott have led a campaign of deceit in order to impose an ideological series of cuts to low- and middle-income Australians. That is what this budget does and it is what this legislation contains. The government hate the idea that they have an obligation to help out their fellow Australians. Labor will fight them every step of the way with regard to this. Before the election, Mr Abbott said there would be no cuts to pensions. We now know that this was a hollow promise, like so many other promises that he has broken since the election.

It is through this legislation that the Prime Minister is making changes to pensions and dramatically so. Two point three million age pensioners will have less money in their pockets as a result of this lie. According to the Australian Council of Social Services, ACOSS, this measure will leave pensioners, as Senator McEwen just said, around $80 a week worse off over time. For pensioners, who already live on around $20,000 a year, this is a cruel attack on their financial security. Of course, it comes at a time when they will also be slugged with a new GP tax whenever they visit the doctor, the chemist or any other medical service, and a new fuel tax whenever they put petrol in their car. They will have to put off visiting the doctor, buying medicines or putting petrol in the car.

Australian pensioners feel absolutely betrayed by this government, and so they should. As I said, this government was happy to promise no changes to pensions. I would like to quote from a transcript—found on the Liberal Party website—of Mr Abbott's address to the National Press Club on 2 September last year. Mr Abbott said:

… the Coalition can more than fund tax cuts without a carbon tax through the sensible savings that were announced months ago.

There are no cuts to health.
No cuts to education.
Pensions don’t change.

Again, to Sabra Lane on AM on 5 September, Mr Abbott said: 'No cuts to health, no cuts to education, no cuts to pensions.' Mr Abbott and his government should be ashamed of themselves. Australian pensioners will experience pain and suffering because of the cuts and taxes of this government. It is absolutely unbelievable that, in a nation as prosperous as Australia, the government have taken these actions. That the government want to rip away support for people who have worked their entire lives to build this nation is quite immoral.

It is not just age pensioners who will be impacted. People on the disability support pension, carer payment and parenting payment single will all lose because of this cruel measure. To
attack the living standard of those on a disability support pension for cheap political gain is, quite frankly, pathetic. We have an obligation to ensure that everyone has the ability to live a life of dignity and opportunity—that everyone has the ability to live a life of dignity and opportunity. I repeated that for those on the other side. I do not think that the message sinks in with them. The changes are causing real distress for those on the disability support pension and people have, understandably, become extremely anxious about the changes. For many of these people who spend large portions of their life on the pension because of their inability to work, this is particularly cruel.

The measure to index pensions by CPI instead of wages will see a cut in the pensions of 3.2 million Australians, including disability support pensioners, carer pensioners, single-parent pensioners and 2.3 million age pensioners. Frankly, they deserve better.

When Labor was in government we legislated for the biggest increase to pensions in 100 years. This measure brought millions of Australian pensioners out of poverty and ensured that their pension enabled them to live with dignity, because Labor understands that Australians deserve the security of a fair pension to support themselves in retirement after a life of hard work. Labor understands that the lottery of life means that some are born with or develop severe disabilities and that these people and their carers deserve the security of a fair pension to support themselves. This government is taking away this security. It is leaving pensioners with less money in their pockets and less security in their minds.

I have spoken many times in this chamber about the harsh measures in these bills, and the cuts to support for young job seekers, which are particularly bad. Here we have a government that is willing to throw an entire generation on the trash heap. And they have an attitude that everybody can get a job. Well, if you keep your commitment to increase the number of jobs available then that may well be true, but at the moment that is not happening and not everybody can get a job.

The measures contained in these bills will see young people left without any income support at all for a period of six months, and possibly longer, when they become unemployed—without any income support at all. Having no income will make it even harder for young people to enter the workforce. If you cannot afford transport to a job interview, or appropriate clothing, or a mobile phone so that you can be contacted by an employer, how are you supposed to get a job? And what if you cannot afford public transport? Public transport is not always available, of course; I come from the state of Tasmania and, to be honest, in a lot of Tasmania there is no public transport available. In some areas, especially some of the lower socioeconomic areas, public transport is not as good as it should be. So these people actually have problems getting to job interviews in a timely way, and even have problems getting to doctors' appointments and things like that on time—let alone spending hours in a Centrelink office waiting for an interview and then having to wait hours to catch a bus home again.

But the government wants to shift blame onto young job seekers for not being in work rather than to keep its promise to create more jobs. Mr Abbott said in Devonport in Tasmania on 8 August last year:

I am confident that the Coalition's economic plan can produce one million new jobs in five years, 2 million new jobs in a decade, by reproducing the kind of jobs growth that we had under the former Coalition Government.
More than 200,000 jobs should have been created by now if that were the case, but the government is more than 80,000 jobs short on this commitment. The government needs to tell us where these jobs are and when we are going to see some action. That is what we need to help young people, not the changes in these bills.

If these bills pass and if, after six months without income support, that young person has not found a job, the Abbott government will require them to take part in a work-for-the-dole scheme, and if, after six months in a work-for-the-dole scheme, they have still not found a job then they will lose their payments for a further six months. So they will live on fresh air for six months. This Liberal-National government is saying to young people who lose their jobs that they just do not care. And this confines young people, as I have said, to an endless cycle of periods without income, leading them into poverty. We will see many, many young job seekers pushed into poverty, crisis and homelessness. We need to be offering support to young people now to ensure that they have the skills and opportunities to gain work. Leaving them with no money to survive on for six months is unfair, cruel, and, to be honest, completely counterproductive. And unfortunately it could have even worse effects for those with no income and no support base.

This budget includes extra money for the emergency assistance that the government knows will be required as a result of this measure. So they are knowingly making it so difficult for people that they will have to seek emergency assistance. They know that this budget is so cruel they will need extra emergency assistance for around 500,000 young Australians—yet they still make the cuts.

Australian families are also under attack by the Abbott government through the cuts to family payments. The social services and other legislation amendment bill includes $7.5 billion in cuts to family payments. Once again, low-income couples with children and single parents will suffer the most.

These bills seek to freeze the rates and thresholds for family tax benefits, including the low-income free area for those who receive the maximum rate of family tax benefit A of $48,837. According to the Department of Social Services, a freeze to the low-income free area for FTB A alone will see more than 370,000 families around $750 a year worse off in 2016-17. The Department of Social Services revealed at a recent Senate estimates hearing that around 700,000 families will also lose their FTB B if the government gets its way and kicks families off the payment when their youngest child turns six. Labor will stand up for the low- and middle-income families who will be so savagely hit by the measures in this legislation and we will oppose the cruelest measures before us today.

I am extremely disappointed that this government felt it should take the most from lowest income families, because the figures are quite clear on this. A single income family on $65,000 with two school-aged children will be around $6,000 worse off each year by 2016. That is around 10 per cent of their entire family budget. In contrast, families on the highest incomes can expect to be worse off by only a maximum of 1.7 per cent in the same time frame. This is utterly extraordinary and an unfair attack on low-income Australian families. They were promised by Mr Abbott and his cronies that they would be better off under his government. Can you really tell Australian families that they are better off when you have ripped $6,000 straight out of their pockets?
I would like to take a moment to remind the crossbench senators that if they vote for the Social Services and Other Legislation Amendment bills, they will be voting to cut pensions for millions of senior Australians, carers, single mothers and disability support pensioners; to lift the retirement age; to cut family tax benefits; to leave unemployed young people without any income for six months; and a host of other changes that will attack the most disadvantaged of your constituents.

I would like to make it very clear that if you vote for the Social Services and Other Legislation Amendment bills you will be absolutely complicit with this attack on Australian families, pensioners and youth. And you will have to explain to these families, pensioners and youth why you agreed with the government and why you think it is fair to rip support away from those who need it the most, because these changes will severely impact millions of Australians, particularly in my home state of Tasmania. These bills will hurt Tasmanian families, Tasmanian pensioners and young Tasmanian job seekers. Unfortunately, these bills give us a very good measure of the calibre of this government. It is a government that is completely out of touch. Their priorities are all wrong.

For the Abbott government to give tax breaks to miners while ripping money away from disability support pensioners and seniors is downright immoral and pathetic. They give $50,000 over six months to women on high incomes while ripping away money from age pensioners. And they spend $50,000 flying a celebrity chef to New York to feed delicacies to G20 finance ministers while ensuring young job seekers have no money to buy food for six months of every year. Australians are angry at this government's callous cuts to families, young job seekers and pensioners.

Senator O'Sullivan: Go back and look at Kevin Rudd's itinerary!

Senator BILYK: I know that there have been mumblings from the other side of the chamber. They know that we are right, because they have to make such a loud noise to try to interrupt us and disrupt us.

Senator O'Sullivan interjecting—

Senator BILYK: Senator O'Sullivan, you have not been here that long, but I will tell you a story. I used to be an early childhood educator. I worked with screaming three-year-olds. So you do your best, but you will not stop me talking, Mate. This government should be absolutely ashamed of themselves. They know it and that is why they are interjecting. I know that Australian pensioners are ashamed of them and ashamed of the fact that some of them even voted for them. I have had people come into my office and say to me, 'I actually voted Liberal and I really regret it. My life will be so changed and so damaged. And Senator Sterle said that people come into his office. You may think on that side of the chamber that you are very smart, but let me tell you: you are not. (Time expired)


When you calculate the financial impact of this legislation, an estimate will show that over the forward estimates the Liberal government has planned to target seniors, clean-energy users, families, parents, disabled people, students, unemployed and our veterans, and will take
$13.4 billion, or $3.4 billion a year, from them. I was not elected to this chamber to take money and resources away from Tasmanian seniors, clean-energy users, families, parents, disabled people, students, unemployed and certainly not my Tasmanian veterans. I was not elected to take $3.4 billion a year away from Australia's and Tasmania's poor and disadvantaged.

Tasmania faces big economic challenges that other states do not have to face. It has the lowest building approvals and the highest rate of unemployment, at 7.1 per cent. And that is only using an unemployment figure calculated by saying that if you work one hour a week then you are employed. What a load of rubbish! Imagine if the official unemployment figures were calculated using figures which took into account those who officially worked only 14 hours a week. Then we would have an idea of the amount of misery and despair in our state is caused by underemployment.

We are a rich country. According to a briefing given to me by the Treasury officials—I thank Treasurer Hockey—we do not have a budget emergency. That Liberal myth has been busted and the science is now settled. I understand that as a nation with unemployment at 6.1 per cent we need to be careful and not waste money. However, we are a nation with between three and four per cent growth, according to IMF global growth forecasts, real GDP growth of 3.1 per cent, business confidence above the 10-year average and real GDP growth above the 20-year average. These figures are reason for optimism. We can afford to let our seniors, clean-energy users, families, parents, disabled people, students, unemployed and of course our veterans keep their entitlements, keep food on their table, keep paying their bills, keep their rooms warm on cold nights and, more importantly, keep their dignity.

The reason I say that is that we have other budget measures which could be reformed to provide a saving of more than $13 billion over the forward estimates. This government has stated that, over the forward estimates, it will spend over approximately $30 billion in foreign aid. That means about $5 to $6 billion a year for the next four or five years will be sent to overseas countries. Despite the foreign minister's smoke-and-mirrors trick over budget time saying that billions had been taken out of the budget, the fact remains that $30 billion over the next five years is a record amount of Australian taxpayers' money that this government has earmarked for foreign people. Never before in the history of Australian politics have the Liberal, Labor and Greens parties agreed to send $30 billion to overseas countries. This generosity by the Liberal politicians to foreign people comes at the same time that the acting Assistant Treasurer makes speech after speech in this chamber complaining about the amount of money we have to pay to service Labor debt. Perhaps he has a point, we all know that Labor and the Green coalition recklessly spent public funds and we have to be mindful of the amount of money that we put on the nation's credit card and the total amount of those repayments. However the Assistant Treasurer's argument about debt repayment loses credibility when you consider the fact that he is quite happy to send $30 billion over the forward estimates to overseas countries. Why should we give $30 billion to overseas countries while at exactly the same time we take away over $13 billion from Australia's seniors, clean-energy users, families, parents, disabled people, students, unemployed and our veterans?

The unfair, heartless Liberal budget 'savings' measures outlined in the Social Services and Other Legislation Amendment (2014 Budget Measures No. 1) Bill 2014 and the Social Services and Other Legislation Amendment (2014 Budget Measures No. 2) Bill 2014 are not
needed. With the stroke of a pen the Prime Minister could halve Australia's record foreign aid budget from $30 billion to $15 billion and still allow our seniors, clean-energy users, families, parents, disabled people, students, unemployed and veterans to keep their entitlements. We could do that tomorrow. Actually, we could do that this afternoon! The government could put this legislation which contains so much heartache for ordinary Australians in the rubbish bin where it belongs. If we are going to be charitable with $30 billion of Australian taxpayers' funds let us be charitable at home, in our own country, rather than in foreign countries. We should look after our own backyard first.

Another area of the budget where savings measures could be applied to instead of taking entitlements away from our sick, elderly and young is the Liberal and National parties' infrastructure budget. According to Treasury briefings, over the next two years, 2015-16 and 2016-17, this government plans to spend approximately $7 billion on top of the just over $6 billion that is spent annually on infrastructure The majority of this money will be spent on mainland capital cities roads—especially in Sydney and Melbourne. This government has made plans to spend billions of extra dollars on infrastructure in Sydney and Melbourne in the lead up to the next federal general election. The infrastructure budget graphs supplied by Treasury do not lie. They show that while Mr Abbott and Mr Hockey are telling Tasmanians to tighten their belts the residents of western Sydney and Melbourne are enjoying a huge boost to the amount of federal funds which are being showered on them. If regional Australia and ordinary Tasmanians are to tighten their belts then why can't the belt tightening be carried out by the people of Sydney and Melbourne as well? For example, why has the Liberal government promised to provide $20 million over three years to the Lebanese Muslim Association and other Arabic-speaking people to build residential aged-care services that will provide 'culturally appropriate aged care in Western Sydney' when the budget shows that over the forward estimates savings of $12.7 million and $38.8 million respectively, $51.76 million in total, will be achieved by targeting our very own veterans who receive incapacity payments and disability pensions? I have never worked out how any government can describe as budget savings taking money and entitlements away from those citizens—our Defence Force veterans—who were prepared to lay their lives on the line.

Clearly, this Abbott government has been caught out taking away entitlements from seniors, clean energy users, families, parents, disabled people, students, unemployed and veterans in order to build up a Liberal slush fund—whose sole purpose is to pork-barrel Melbourne and infrastructure during an election year. What a disgrace! Liberal governments in Australia historically have tunnel vision when it comes to fixing budgets. They only seem to have two tools in their tool bags, and I suggest they need sharpening. These are: sell off government assets and slug the most vulnerable in our community. This government, like every Liberal government before it is doing the same old stuff and re-using the same old, worn-out political tools to do it—selling off government assets and ripping off the sick, the disabled, our veterans, our pensioners, our unemployed, hardworking families struggling to make ends meet. At the same time they are creating an economy where costs of living are continue to climb out of control and there are not enough jobs for those who want them. When you look at these bills and many others that this government is trying to pass, it leaves you scratching your head.
Under these bills the government wants to raise the retirement age. They want to push disabled people back into the workforce. Australian Bureau of Statistics figures show there are not enough jobs available now for our unemployed. Wouldn't it be smarter to create more jobs before forcing more people into the workforce for longer? Retiring at an older age might work well for a politician or a public servant who has not done physical labour all their life, but what happens to those honest Aussie workers who build our homes, fix our cars, nurse our ill and nurse our aged? Their bodies will not allow them to continue to working until 70. What happens to those people? Like many things this government is doing, it makes no sense at all. None! It is just plain, cold, heartless and senseless.

Under these bills the government wants to rip off $7.3 billion from hardworking families. As I have said before, that is about the same amount of money this government will be spending on roads, pork-barrelling marginal seats where it is trying to win future votes in future elections. We are right on your tail. These bills are not a response to an economy or budget in crisis; these bills are an expression of a nasty, born-to-rule political ideology that the government has decided to force once again on this nation of ours. If we allow these bills to pass it will be a step toward a future that will end our fair-go Australian way of life. We are a wealthy nation, but the Liberal Party and some of the National Party have decided for the Australian public that we will no longer care for our most vulnerable. As that famous Indian pacifist Gandhi said:

The true measure of any society can be found in how it treats its most vulnerable members.

How would our society measure up, should these measures pass?

One of the budget measures under these bills is to force anyone under 30 years of age to wait six months before they can get paid a benefit. The unemployed are expected somehow—somehow!—to live for six months without housing, without food, without any money at all for transport. I would like to put every politician to that test. How will they look for work? They can't; they won't. They will be forced onto the streets and many could be forced to turn to crime just to feed themselves. How does this government expect they will be able to look for work when they have no means to eat, let alone get transport to job interviews?

This government does nothing to create jobs in high unemployment areas like Tasmania. Its only response is to propose budget measures that will make the poor poorer under harsh and cruel measures that will see them homeless and desperate. This government went to the election promising pensioners they would not lose a cent, but now it has put in measures that would see pensioners lose money, perhaps not right now but certainly into the future. Do you think pensioners would have supported this government if you had told them the truth? I very much doubt it. Do you think you would have been supported by the wider community if Australians knew what the coalition was really planning to do? I doubt it. This government lacks legitimacy. It is illegitimate because it misled the voters of Australia and lied its way to an election victory—it lied its way all the way.

These bills before the Senate today are evidence of this government's stinking deception and it has gotten away with this great deception and taken the keys to the Treasury benches. Does this Liberal government now expects us to endorse and approve of its bad behaviour by voting for its legislation? To rub salt into the wound, this government has presented before this chamber plans to rip money off our veterans by freezing their entitlement indexations. Even our disabled veterans will lose money because this government intends to rip as much as
12 weeks' pay off them. Shame on you! That sound you hear, Mr Acting Deputy President, is the earth moving as those who have died defending and in the service of our nation have rolled in their graves. Shame on this government and shame on those opposite who propose to vote for these cruel mean measures!

It is time that politicians, who like to make grand stirring speeches on Anzac Day and pose for photo opportunities with members of the Army, Navy and Air Force, live up to the Anzac legend and not off it. The Palmer United Party fully opposes this Liberal government's legislation.

Senator LINES (Western Australia) (10:43): I too rise to oppose these bills that are before us. I really want to understand why the Abbott government has declared war on the Australian community. It is hitting young people through its harsh unemployment measures and by hiking up university debts. It is imposing a new GP tax on the whole community and is launching a wholesale attack on pensioners. Why is it doing these things? There is no budget emergency, as the government first cried. Credible economists tell us we have a revenue problem. This week we have had a report by United Voice and the Tax Justice Network, which states that nearly one third of companies have an average effective tax rate of 10 per cent or less. The report also states that 57 per cent of the ASX-listed top 200 companies disclosed subsidiaries in secrecy jurisdictions—in other words, in tax havens. Sixty per cent of companies reported debt-to-equity levels above 75 per cent, which may artificially reduce taxable profits.

And what is the Abbott government is doing on tax—on increasing our revenue base, as credible economists urge them to do? It has made a vague promise of a white paper in 18 months. That is the totality of its commitment to looking at Australia's revenue base. It seems to me, and to Labor, that the Abbott government is more interested in reducing the quality of life of Australians—through its harsh budget measures—than in tackling tax and ensuring that those who should pay, do so; and that those who can afford to pay, do so. The two bills we are debating today showcase the harsh, cruel nature of the Abbott government's budget. I want to focus on the impact of the budget on young job seekers. I will do that because they are the future leaders and the future workers in the Australian community.

These bills contain a number of measures which will have a very serious impact on young job seekers but, before I focus on that issue, I also want to stress that it is not about taking from one group of Australians and giving to another. It is not about disadvantaging one group of Australians to advantage another. It is about creating a fair society—a fair society which offers hope and opportunity for all Australians, no matter what their postcodes and no matter what their circumstances. Foreign aid is another important measure—and we have seen cuts to our foreign aid budget—now more than ever, particularly given the emergence of new extremist groups. Providing for all in our community, whether it is for nursing homes in Western Sydney or for roads in Victoria, is why we as a community pay our taxes. We want to see a responsible government putting together a fair and just budget—not a budget which punishes so many ordinary Australians, and does nothing to look at the sorts of loopholes that United Voice and the Tax Justice Network have highlighted this week.

It seems to me that everyone except the government agrees that these proposed changes to unemployment benefits are some of the harshest welfare measures introduced in our country's history. These are the harshest cuts in our history. I have listened to the debate in the Senate,
and it is obvious from the comments made by government senators that they believe that our young unemployed people need to be punished; that they need to be forced to take a job—any job; and that that will only happen, in the government's terms, if those young people are hung out to dry by starving them into submission. The comment made by a government member that, 'oh well, they will not be able to eat their Cheezels and play on their Xboxes', just illustrates the insult and the ignorance shown towards young Australians by the government. Seriously, how can someone who purports to be a respectable member of our community and a responsible member of the parliament believe such a thing, let alone say such a thing? These comments and others show the complete disrespect that this government has for our future leaders and for our future workforce.

Of the harsh measures which the Abbott government is trying to impose on young job seekers, the most serious include a new requirement that job seekers wait six months before receiving any income support. How is that going to work? How will young people punished in this way get to their required number of interviews? What will they live on? How will they buy food? How will they pay the rent, or indeed their mortgages? How will they pay their electricity bills? How will they put petrol in their cars? How will they be able to use public transport? Just how would they get by? We have not seen anything from the Abbott government about those questions—because they are into punishing our young people.

To make matters worse, the definition of 'youth' will be extended to 30. Thirty years old is hardly what most Australians imagine to be youth; it is certainly not the view of average Australians. For those people receiving Newstart—a benefit which gives young people less money to live on—the age range for eligibility has been extended, so that instead of cutting out at 22 it will cut out at 24 years of age. Apparently, the Abbott government rationale for that change is 'to line up benefits and fix differing age ranges'. But Labor believes it is just to further punish young job seekers—and for the government to make savings off the backs of young unemployed people. Labor senators, in their dissenting report on the Senate inquiry into this bill, were equally concerned when they said:

"The Labor Senators on this Committee are extremely concerned about the Government’s attempts to withdraw the safety net for young jobseekers. Never before in this country has such a measure been proposed."

This measure has received widespread condemnation—and indeed alarm—from welfare agencies and other stakeholders. As the National Welfare Rights Network stated, "[t]his measure is a fundamental attack on the basic right to social security and the principle of adequate income support based on need."

ACOSS, the premier umbrella organisation for social security organisations in this country, agreed that this measure ran counter to Australia's proud history of providing a safety net to anyone in need. That is certainly under attack here. The Abbott government no longer believes in a safety net. Even past Liberal governments have seen the need for Australia to have a safety net. Indeed, one of the distinctive differences between Australia and the US is that we have this safety net, we have a fair go, and we do not allow Australians, through whatever circumstances they find themselves in, to fall through the cracks. The Abbott government intends to rip that safety net away and to push its ideology—its view that
somehow everyone should be able to take care of themselves—to the greatest advantage. We see that played out in these bills before us today. ACOSS said:

The removal of any income support for a group of people not in paid work fundamentally changes the Australian income support safety net. Traditionally, Australia has a safety net for all who need it, and requires participation in return. The budget turns this around by excluding an entire group of people from basic assistance … In this way, the measure would effect a radical structural change to the social security system.

This comes off the back of a government which promised no changes and no cuts; we have all been duped. To remove the safety net for some of the most vulnerable in our community is not fair, and Australian voters know that.

St Vincent de Paul is an organisation that all of us, I suspect, think does an amazing job in our community. All of us respect St Vincent de Paul, with many of us making contributions, whether through donations of clothes or money. Everywhere in Australia, when people are in need, Vinnies, the Salvos and a number of other agencies are there to help. St Vincent de Paul said of the government's harsh and cruel budget measure:

We find very concerning the idea that the government would intentionally remove any semblance of a social safety net for a particular group of people (job-seekers aged up to 30, for a period of 6 months). Unlike other cases in which someone may not be entitled to social security, because they earn too much, they are not a citizen, or they are deemed to have failed to comply with Centrelink requirements, this is a wholesale denial of any right to government support to a group of people for reasons completely outside their control, and who are highly vulnerable, being both young and unemployed.

When organisations like St Vincent de Paul, who work with the most vulnerable in our community, question the government and urge it not to implement its harsh, cruel measures, the government would be wise to listen.

Dr Ian Hamilton Holland from UnitingCare also gave evidence to the Senate inquiry into these bills. He said, 'This raises a very real risk of breaching these individuals' rights.' He went on to say:

… we do not believe that there should be any payment at any point that has rules attached to it that will penalize someone who is diligently seeking work, because, at the end of the day, there are people who are trained, who are qualified and who are being diligent in the labour market but who will not be successful at a given time in attaining a job—and they should not be penalized for that.

The Brotherhood of St Laurence echo these concerns. They highlight that, for those who do have family support, this measure risks pushing not just the individual but also their family into more challenging financial circumstances.

I do not know what the thinking behind these bills was. It seems apparent to me and to the Australian community that there was no thinking behind them. Does the Abbott government really think that every single job seeker it penalises and punishes by disallowing a benefit for six months has a family support network behind them? Of course they do not. To extend the age range up to 30 penalises these young people even more. For young job seekers who do have family support behind them, what are the circumstances of those families? Are they able to adequately feed another mouth in the household and provide financial support to enable that young person to continue to meet their obligations? What are the impacts? The Abbott government has not demonstrated to Australian voters or to the opposition in this place that it has done any research around the real impact of taking a benefit away for six months or more.
from young people who find themselves unemployed. We know from the questions we have been able to put to the government in the Senate inquiry, and in other places, that there are additional punitive measures, so six months is just the start. It is just the minimum. Some people will see themselves cycling in and out of six months periods without any benefit. They will have an opportunity to pick up benefits again but will be slung back on the scrap heap with no money, once again, being paid by the Abbott government. That is the truth of these bills.

We have had all of the major non-government organisations in this country condemn this and other moves by the Abbott government, but the Abbott government seemingly continues not to listen. The government ignores these agencies. They work with job seekers every day. They have the expertise and they have the first-hand experience, yet the government simply ignores them and instead favours its savings measures at the expense of some of the most vulnerable groups in our community. It is not as if these agencies are sitting on their hands and not providing solutions. ACOSS has provided substantial solutions to look at how welfare measures can be brought down, and how the cost can be brought down, but the government is not interested in it. ACOSS puts in budget submissions to governments of all political persuasions. They are the experts and they have a lot to contribute, yet the government does not seem to want to listen or want to talk to groups such as ACOSS, Vinnies, the Brotherhood of St Laurence, UnitingCare and so on.

This punitive measure to cut job seekers off benefits for at least six months will result in a new generation of young people trapped in a vicious cycle of unemployment and poverty. These bills are motivated by a government that is out of touch with Australians, a government blindly determined to claw back savings. It will not, as the government suggests, ensure a more sustainable welfare system. They might not spend as much money, but a sustainable welfare system involves a lot more than simply saving a few dollars off the back of Australia's young people. It is an attack on our welfare system, it is an attack on our way of life and it is an attack on a fair go for all. There is no other way to describe these harsh measures. We will no longer be the fair country. We will be the country that discards and punishes its youth, those who through no fault of their own find themselves unemployed or unable to find suitable work.

And what is the government's response to condemning young people into poverty? It has set aside $230 million to provide grants to community organisations to provide emergency relief. Never before have we seen such a harsh measure, where the government knows it is harsh and it has to up the emergency relief budget to provide for the six months when young people have absolutely nothing to fall back on. What kind of a punitive measure is that? And what evidence does the Abbott government have to say that 30-year-olds and those under 30 deserve such a punitive measure.

We have had unemployment benefits since 1944. Labor will not be supporting the harsh measures in these bills. It is time the Abbott government started to listen to the community and act in a much more responsible way and not punish the lifters of the future.

Senator DAY (South Australia) (11:03): I rise to support the second reading of this bill. In the last financial year the national social services budget was $140 billion, rising to almost $170 billion by 2017-18. This represents more than a third of the total budget. It is unsustainable. The measures in these two bills are, on our best estimate, worth approximately
$12 billion in savings over four years—so roughly $3 billion per annum out of a $140 billion to $170 billion budget, which is a saving of about two per cent.

I know every little bit helps, but someone has to go in to bat for families by trying to save those measures that will help low-income families most. The crossbench was part of the solution on the mining tax debate, pushing for the de-coupling of the family support and low-income support measures, and we succeeded. There will, until the next election at least, if not at some time after that, be a Schoolkids Bonus for those who need it most, and a low-income support bonus—and they said it could not be done.

Well, here we are again with the crossbench endeavouring to play a constructive role in this debate. I make no apology if colleagues get sick of hearing me say this, but I have been clear from day one, and I will be saying it for the next six years: debates about social security, like this one, would end tomorrow if the government would stop making it illegal for young people to work on terms and conditions that suit them. Let me repeat that: debates about social security, like this one, would end tomorrow if the government would stop making it illegal for young people to work on terms and conditions that suit them. The only reason the government has to go down this tortuous path of cutting welfare measures is that they will not let young people do their own thing.

Young people working and earning income takes them out of the social security spending costs for government, and in fact sees them paying income tax, accruing payroll tax in the states, and spending the money in the economy to generate GST receipts for states. Every day I hear captains of industry and commentators and others saying that Australia needs labour market reform. I agree. But where I differ is that I want to see job-seeker-driven labour market reform. I could not care less about what industry wants. I want what is best for job seekers. Why not let them pursue work opportunities on terms and conditions that suit them, rather than suit the government. Young people are beating a path to my door encouraging me to keep up the fight. Some of the nation's best and brightest young minds want labour market reform, where they can take steps towards building up their skills, start a successful career, get a house, start a family, travel and so on.

Now, there have been various reports that I am trying to find a compromise pathway on this bill. That is definitely true. The alternatives for budget repair—increases to taxes, charges, levies and the like—are just too ugly to contemplate. I support the second reading and the bill, subject to the compromises I have been advocating.

Senator POLLEY (Tasmania) (11:07): I also rise today to speak on the Social Services and Other Legislation Amendment (2014 Budget Measures No. 1) Bill 2014 and the Social Services and Other Legislation Amendment (2014 Budget Measures No. 2) Bill 2014. This is legislation that we, on this side, believe needs to be reconsidered before our support can be provided. It is our view, in fact, that substantive amendments are almost certainly required. Firstly, I just want to address this line of thinking that is prevalent in conservative politics that Australia is somehow plagued by high unemployment and people, particularly young people, are disinterested in obtaining work. In the same way that our Treasurer has persistently tried to depict Australia as being in the grips of a budget emergency, there is no emergency here either.

As the shadow minister, Jenny Macklin, said in that other place on 24 June this year:

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CHAMBER
...the government's best attempts to come up with a rationale for the harsh measures in these bill are based on a complete fallacy; a fabricated sense of crisis.

Australia's economy is strong. Our economic situation is certainly not the crisis that the government has done their best to make it out to be. We have low inflation, low interest rates and net debt well below comparable countries. More importantly, we heard the following words, which those opposite in the chamber need to sit up and pay attention to:

...since the election all we have heard from this government is false claims that Australia's spending on welfare is out of control. We have heard senior government ministers cry that Australia is on a path to countries like Greece and Spain. These claims are just not true.

Indeed, they are false claims because—as shadow minister Macklin went on to note during her speech—the Treasurer's budget credibility was destroyed by analysis from the Melbourne Institute using The household, income and labour dynamics in Australia survey. What this data demonstrated was that, as a country, we have actually reduced our dependence on welfare. That is right, we have actually reduced it. But you certainly will not hear anything like that from those opposite. The coalition rarely lets the facts to get in the way of a good story. But, once again, the data has tripped them up.

In 2001, 23 per cent of working-age people in Australia received a welfare payment each week. In 2011, that had dropped to 18.5 per cent. In fact, if you compare Australia to all OECD countries, we spend less than every single one of them except for Iceland, which is a nation with about 300,000 people. That is not just to suggest that we should be complacent. Labor will always look for new measures to improve our welfare system and better the lives of Australians looking for work. But when I hear the Treasurer and company grandstanding that they are on some noble mission to end the age of entitlement, I cannot help but roll my eyes. It is all based on mistruths.

This bill and others in the back pocket of our Treasurer have the potential to destroy the fundamental pillars of our way of life. They seek to savagely cut support for ordinary working Australian families, whilst also pushing hundreds of thousands of vulnerable young people into poverty. I ask whether that is something that we really should be aiming for? Of course, it is not. It is certainly not what we want on this side of the chamber.

In viewing this bill in its entirely, I think it is clear once again that the Abbott government has its priorities all wrong. Team Abbott should not be focused on punishing people who are struggling to find work, who are down on their luck and who are living in parts of the country which perhaps are not thriving. That is the easy way out. That is the coalition's way. Instead, this government should be fostering a positive and proactive approach to creating jobs and encouraging new opportunities. When it comes to instigating policies to get people back into the workforce, Labor stands ready to help. But we do not want to use job seekers as a political toys. It is very easy to target people such as the long-term unemployed and young people struggling to find work. It is political fodder that conservative governments around the world have used to their advantage. But that does not make it right and it is not right for this country.

In fact, we need to do all we can to protect disadvantaged people who are down on their luck and struggling to find work. The coalition seems to think that every community around Australia is brimming with jobs and that people only need to try harder to find work. It would be ideal if everyone had the opportunities that have been bestowed upon those living in
electorates such as Higgins, Kooyong and Wentworth. It would be ideal if everyone was born with a trust fund waiting for them as well! But that is not the case; some people are born into situations not of their making, which means that finding employment is not a straightforward task. We need to resist the urge to impose harsh measures which will only penalise them further and hinder their efforts at building a better life for themselves.

I just cannot support the transfer of responsibilities from the Department of Human Services to Job Services Australia. This government is intent on privatisation at all costs, even when it makes absolutely no sense when applied on the ground in practice. Human Services staff in Centrelink offices have a particular set of skills and corporate knowledge which means that they have experience in dealing with the reactions of those met with negative decisions. They deal with payment recipients; it is their job.

By shifting responsibilities onto Job Services Australia staff, this government is seeking to fit a square peg in a round hole, whilst also adding to the workload of Job Services Australia. Why is this a bad thing? Because it will distract from Job Services Australia's function of actually helping job seekers find work. So the entire approach of this bill is strangely self-defeating and muddled—but that is what happens when you approach issues like this whilst only thinking in the short term. We need to think logically about what we are actually doing here. It is the Department of Human Services that will be dispensing payments, so surely the decisions relating to whether or not those payments actually occur should rest with that same department.

There are several measures in this bill which may disproportionately affect some of the country's most vulnerable people. The decision to remove the right to a review of a decision in which payments are suspended needs to be approached with extreme caution and restraint. We certainly do not want to create a situation where job seekers are denied natural justice. For example, it would be disastrous for many people if the legislation were used in such a way that job seekers were stopped from requesting a review of the decision not to back pay where their reasonable excuse for missing an appointment has not been taken into account. There may be many reasons why someone misses an appointment. Each job seeker's individual circumstances are different. We cannot really look at job seekers as a class of people, because they are not. Let us look at some of the examples or case studies, if you will. In 2013 there were over 13,000 no-show no-pay penalties dished out to job seekers with vulnerability indicators that were known. Of this total number of job seekers, over 4,000 had psychiatric problems or a mental illness, close to 2,500 had a homelessness flag on their file, 286 had a recent traumatic relationship breakdown and 276 had a cognitive or neurological impairment. It is also worth pointing out here that Indigenous Australians are overrepresented when it comes to those penalised. In fact, they received a quarter of the no-show no-pay penalties.

Once again, it is easy to fall into a pattern of thinking that portrays the unemployed as bludgers, as people unwilling to look for work and as people taking advantage of the system, without concern for those in the workforce. But here is the thing: on the ground in the real world the situation is a lot more complicated. We need to view job seekers for what they are—people with individual circumstances, with many of them at a vulnerable stage in their lives. They often need our support. Treating them fairly, treating them with respect and helping them to get back on their feet is the Australian way.
I would just like to close by saying that I have always and indeed will always support incentives that encourage young job seekers to take up employment. The worst thing we can do is to allow people to dwell in their current predicament and not remain active in and enthusiastic about furthering themselves in finding work. However, I have to say that, when it comes to my homestate of Tasmania in particular, the Abbott government has made this very objective much harder. I do not believe this government is really committed to encouraging job creation or assisting people to find work in Tasmania. The evidence for this is stark. The Abbott government did nothing to stop the closure the Australian Taxation Office in my hometown of Launceston. It did nothing to save the PSG Russell Smith, which was at a cost of 182 jobs across the state. It has sought to introduce higher education reforms which will see $30 million worth of funding cut from the University of Tasmania—the biggest employer in Launceston. The government's lukewarm commitment to the renewable energy target threatens jobs in the renewable energy sector—jobs that are vital in many areas of my homestate. The member for Bass, Andrew Nikolic has stood by and watched as all of this has unfolded, barely uttering a whisper.

When people lose their jobs it means uncertainty for their families and less money circulating in the community, yet this government has committed a series of errors which will do nothing to get more Tasmanians back into work. I ask them to explain how decreasing payments to low-income families and to job seekers and implementing a range of measures which will pull the rug out from under the disadvantaged will create jobs and boost economic development. I have said before that many of the Abbott government's policies will actually push people into poverty, into a position where they are unable to find work and so become more reliant on community and homelessness services. Marginalising already disadvantaged people is not the answer. This is just a rehashed, tired policy from the Howard government years.

If this government is committed to job creation, why has it cut crucial employment support? There is a $1 billion cut from apprenticeships, a $1 billion cut from trade training centres and a $128 million cut to the Youth Connections, Partnership Brokers and National Career Development. This does not make sense. Earlier this year, the Minister for Employment, Senator Abetz, said that it is just not acceptable to have job seekers sitting at home on welfare. This follows his incredible comment a week prior that unemployed Tasmanians should try fruit picking. Telling people from a range of backgrounds and disciplines to simply go and pick fruit demonstrates how out of touch he is. Finding gainful employment can be much more difficult than his condescending instruction that people can go and pick fruit suggests.

It is hardly surprising to hear these sorts of comments from Senator Abetz, given that his party is led by a Prime Minister who basically said when he visited Tasmania that Tasmanians seeking work should leave for the mainland and try their hand there. Please, can someone explain to me how the Prime Minister of the day is going to help create jobs in this country, and particularly how he is going to help build a strong economy in my homestate of Tasmania, by telling young people to leave the state and go to the mainland—because, quite frankly, I do not get it. The people out in my communities who are struggling to find opportunities to even apply for a job do not want to be told by their Prime Minister to leave Tasmania and go somewhere else. How are they supposed to do that without any support?
They have to leave their families and the communities that they have been a part of and
grown up in. This is what we should be doing! What is even more incredible is that the
doormats, the Nationals, are supporting this government. They are supposed to support
country and rural Australia. What are they doing? My home state, apart from the capital of
Hobart, is made up of rural and regional communities. That is how much this Prime
Minister and this government actually think of rural and regional Australia.

I urge those people on the crossbench to stand up for communities like mine in Tasmania,
to stand up for those young people who are desperately trying to seek a future for themselves.
The promises this government made to the Australian community in order to get elected were
lies. They told a bald-faced lie to the Australian community when they said, 'There will be no
changes to education, there will be no cuts to health, there will be no cuts to pensions and
there will be no changes to the pension.' The list goes on. What do we get? We get an
Olympic gold medal performance of backflips and lies by this government. Well, the chickens
have come home to roost, because the Australian community are not silly. The Australian
community elected this government because they believed what the opposition leader at the
time, Tony Abbott, had said. They believed that they would not be worse off, since people
will always vote for the government that they believe will implement the policies that would
support them.

This government has abandoned and deserted the most vulnerable in this community.
Those in this chamber have heard me speak time and time again on what this government has
done to one of the most vulnerable groups of people in our society—those who suffer from
dementia and severe behavioural issues. When it comes to aged care, the government does not
even consider ageing an important enough issue to have a minister for. The government has
changed the way the pension will be indexed, which will have an effect on the aged-care
sector and those people who are able to provide residential care. But those opposite still come
into this chamber day after day and say: 'No, that is not true. That is just the opposition
making up stories.' The reality is that the Australian people understand and know what this
government has done to them.

When Tony Abbott, as the Leader of the Opposition, came to Tasmania, he campaigned
there with what are now known as the Three Amigos, the members for Braddon, Bass and
Lyons. He said, 'We are going to create jobs, jobs, jobs.' What have we seen in my home
state? The loss of job after job after job. They did not even go as far as stepping in. The
member for Bass never stepped in to save the ATO office in Launceston, an office that was
there to support small businesses. That is where we should be investing money. We should be
doing everything we can to support those people. But, no, the Three Amigos did not ride into
town; they just rode right past it.

Senator Bilyk interjecting—

Senator POLLEY: We all have our names for them, but they call themselves the Three
Amigos. I would not want to hang around and wait for them to turn up to support me. More
importantly, in Tasmania we have faced, as most people in this chamber would be aware, the
closure of mines on the west coast. We used to have an employment coordinator available to
us. There was one based on the north-west coast of Tasmania, where we have the highest
unemployment. This government terminated it. When Tasmanians most needed support from
this government, this government abandoned them.
This government will be known as the government of abandonment. This government has done nothing to support the most vulnerable people in our society. I look across the chamber and their heads are down. I would be embarrassed too if I were a member of this government. It is outrageous that those on that side are going to attack the most vulnerable in our community, such as young people trying to get jobs. As was said by a captain of the Salvation Army in Launceston only a few weeks ago, this will lead to greater homelessness, greater crime and more suicides. That will be on the heads of those opposite.

**Senator MADIGAN** (Victoria) (11:27): I rise today to speak on the Social Services and Other Legislation Amendment (2014 Budget Measures No. 1) Bill 2014. I have been critical of this government’s budget. It is quite possibly one of the most divisive and unfair budgets we have ever seen in modern Australia. And I am not alone in this view. I have received hundreds—no, thousands—of emails and letters and phone calls from angry, disaffected Australians. They have told me this budget is unfair, unreasonable and ideologically driven. I and many others accept the government has budgetary challenges. But why should those with the least have to pay the most? Why should thousands of good hardworking Australians—those with families, those with mortgages, those who each day step up and step out to do the right thing—pay the most? Why should those who are struggling, those looking for work, those impacted by disability, those who care for others, those who are sick, those on the pension pay the most? Why should those Australians on low incomes be targeted by this ideological—some would say pathological—numbers driven budget? Why should those with the least pay the most?

Over the past six months I have received a clear message from people across Victoria and across Australia. This is a bad budget. People have told me they are angry and distressed about the changes to the Newstart waiting period. They are angry and distressed about changes to family tax benefit part A and part B. They are angry and distressed about changes to pensions. They are angry and distressed about the increase in the pension age to 70.

I have often spoken about a constituent I know called Phil. Phil works in a forge and is supporting five children. He lives outside of Melbourne. Phil earns $43,000 a year, with another $8,000 on overtime. Phil's is backbreaking work. Phil is a big and strong man, with the strength and resilience of a draft horse, but he has often said to me, 'John, I'll never last until I'm 70.' Treasurer Joe Hockey expects Phil to keep doing what he is doing for another 24 years. I say to Mr Hockey: 'Mate, you're dreaming.'

As usual, I will be brief in my remarks today. I will let my voting do the talking. But, as this legislation affects families and job seekers, I cannot help but share my view. Families are the building blocks of strong societies. A strong family makes a strong individual. Strong people are the backbone of a strong country. The relationship between government and families should be one of mutual respect. Governments should support families.

Forcing both parents to be in the workforce when the youngest child turns six is not the kind of help families need. It is not the kind of thing our nation needs either, because the nation and the family are interdependent. Families are doing it tough. Most parents, particularly those in the paid workforce, recognise the importance of spending time with their children. But, for hundreds of thousands of Australian parents, the financial concerns they face overshadow their ability to do this. This is something our tax system, and my amendments, can address.
House prices add to a family's financial burdens. Single- and even dual-income family first home buyers are forced to compete with baby boomer investors as well as foreign nationals to buy their home. Today in Australia, families are often second-class citizens in the housing market. Why don't we look at negative gearing, amongst other things?

When we look at the economy and job security, we must further consider how Australians can focus their energy on their families. But we in this place are not discussing legislation which will make it easier for these families. Instead we are discussing how we can take more of their taxes away from them by doing away with benefits which were originally given to them in recognition of the important role they play. Take, for example, the removal of the current end-of-financial-year supplement, the freezing of the indexation of the family tax benefit allowance or the removal of the child add-on supplement. This legislation is not about supporting families. It is about making life harder for them.

I have circulated amendments which address these issues in a reasonable fashion. Most Australians are happy to do their bit, I believe. Most Australians are happy to take part in some of the heavy lifting our nation needs right now. But no Australian should be expected to break their back in the process.

I would now like to address the issue surrounding the government's proposed changes to Newstart. Job seekers are in a tough job market. One only has to check the Ballarat Courier or the Latrobe Valley Express from Saturday to see how many jobs are being advertised. When the government allows the employment market to be flooded with 457s, what do we expect? When the government goads industry upon industry to leave our shores, what do we expect? When the government cannot figure out how to manage its defence procurement needs over a long period, what do we expect? When the government cannot figure out how to use our abundance of natural gas for our own cheap electricity, what do we expect?

For these and many other reasons, Australians' expectations of government are at an all-time low. Why should it be job seekers, people who are prepared to work, people who want to work, people who are trained, equipped and able to work, who are punished because of successive governments' poor decisions which have led or contributed to their redundancies?

If people opt to work for the dole then they should be entitled to their full allowance during the six-month waiting period. If people have spent years studying as a student then that period should be recognised as work to be deducted from the exclusion period. If people would prefer to spend the exclusion period not working for the dole but rather concentrating full time on finding a job then they should still be able to receive 40 per cent of the Newstart rate.

We must create hope. We must create opportunity. We must increase the cake, not diminish it. The future of our country and the welfare of our people depend on it. We often hear about business and individuals being told to innovate. It is about time the government innovated.

**Senator KETTER** (Queensland) (11:36): I have listened to the considered contributions from both Senator Polley and Senator Madigan and I am fortified in my view that this is a government which is totally out of touch with the needs of Australians. There is no more compelling evidence of this than these two budget bills which are the subject of debate today.
There is no greater evidence of the fact that this is a government which is based on broken promises and twisted priorities.

As I have been sitting here I have received an email from one of my constituents in relation to the pension—‘Hands off the pension’. I would like to read that email: ‘Dear Senator, I am very concerned about the proposed changes to the age pension announced in the May budget, which you will have to vote on soon. As a person who has to be careful to make ends meet on the pension, I am not sure how I would manage if my income was reduced in any way. I understand that the proposed changes to the way the pension is indexed, for example, would mean a cut of $80 a week over 10 years to the single pension, which seems like a huge amount when it is already a stretch for me to pay my bills, buy my groceries and get to important appointments. I just don't have any way to make up that difference. I implore you to seriously consider the impacts of the pension changes on people like me and vote against these harsh measures, which take such a large slice of the income of age pensioners, especially when others who are better off are not being asked to contribute.’ That is from one of my constituents by the name of Margaret.

It is not possible to traverse the full range of cruel budget measures that are the subject of these two bills, but I do want to touch on a couple of them, and I make the observation that Australians did not vote for $7½ billion in cuts in family payments. I know it has been said before, but I want to touch on the fact that there is absolutely no justification for this savage and heartless attack on the more vulnerable in our community. The government has sought to justify what it is doing on the basis of the budget emergency, and we have heard speaker after speaker busting that myth and saying quite clearly that our fiscal position is fundamentally strong. We have a low debt-to-GDP ratio, a AAA credit rating and low inflation. The other justification this government attempts to use is that somehow welfare spending is out of control, and of course that justification does not bear close scrutiny either. When we look at the facts we see that Australia is the second lowest amount on welfare in the OECD. In 2013 that constituted 8.6 per cent of GDP, in comparison with the OECD average of 13 per cent. How does this government justify these savage attacks on the more vulnerable in our community?

As I said, I want to focus on just a couple of these changes. Firstly, the Newstart change: it is quite clearly one of the harshest welfare measures introduced in our country's history—so harsh, in fact, that it was recently the subject of an inquiry by the Parliamentary Joint Committee on Human Rights, and the report on that has been handed down. That report investigated the issue of the 26-week waiting period for social security payments for under-30-year-olds, and the committee sought the advice of the Minister for Social Services as to whether that 26-week waiting period was compatible with the right to social security and the right to an adequate standard of living and, in particular, whether the proposed changes were aimed at achieving a legitimate objective, whether there is a rational connection between the limitation and that objective and whether the limitation is a reasonable and proportionate measure for the achievement of that objective. The minister responded to the committee's request for information. Suffice to say that the committee was somewhat nonplussed by the minister's response. It noted that the response did not provide any further information as to how young people are to sustain themselves during a six-month period without social security. The committee noted in its original assessment that information regarding the likely
impact of the measure on individuals and their families and about how individuals who are subject to the measure will retain access to adequate shelter and food is necessary in order to assess the human rights compatibility of this measure. The finding of the committee was that the measure is incompatible with the right to social security and the right to an adequate standard of living. That is an indictment of this government and these harsh measures it has sought to introduce.

In passing, I mention also that the same committee investigated the issue of whether there was potential indirect discrimination against women arising from these bills. Once again, the committee invited the Minister for Social Services to provide a response to their concerns in that regard, and I wish to quote the committee's comments following the minister's advice being received:

The committee notes the minister's advice that the measures affect all recipients, regardless of their gender. While the measures therefore appear neutral on their face, the committee remains concerned that they may have a greater impact on women than men, as women are more likely to be recipients of social security and particularly payments provided to the primary caregiver of children.

The committee then went on to seek further advice from the minister about that. Once again, it is an indictment of the actions of this government in addressing this issue.

There have been many organisations and community stakeholders that have condemned various aspects of the budget, and I will address the comments made by the Australian Council of Social Service—in particular, its response to the report I just quoted from. It is ACOSS's estimate that 100,000 young people are affected by this particular measure in respect of the waiting period.

I note that ACOSS made reference in their media statement yesterday that in their view the measure would see the government breach its part of the mutual obligation deal. I was interested in that because I heard Senator Abetz yesterday talking about mutual obligation. It is worthwhile reflecting on the fact that, with the removal of the Newstart benefit for a six-month period, the government is in breach of its mutual obligation. Governments have a duty to provide income support and to help people get a job, while people who are unemployed are required to search for jobs and participate in employment programs. This penalty being imposed on young people is totally unwarranted and, as I say, a breach of the mutual obligation deal.

This government is not only hell-bent on attacking social welfare for young people; it is also conducting a war of attrition on the aged. I draw the Senate's attention to the cuts for older Australians which are part of these bills, the indexation of the age pension by CPI and the raising of the age pension qualifying age to 70. Labor believes that the indexing of the age pension by CPI only will erode the purchasing power of the pension and diminish the living standards of Australia's 2.3 million age pensioners. On the issue of the age pension qualifying age being raised to 70, I make the point that, for many of the workers employed in physically demanding work, working to 70 will be a significant challenge. In my work as an official of the Shop, Distributive and Allied Employees' Association, prior to my becoming a senator, I had many interactions with members employed in the retail industry, the fast food industry and distribution centres. My heart particularly goes out to workers in distribution centres. Warehousing involves heavy lifting on a day-to-day basis—backbreaking work which takes its toll on the human body over an extended period—and for those people this raising of the
retirement age will be an intolerable burden. I call on the government to reconsider particularly this aspect of the bills. Labor is also concerned that raising the retirement age to 70 could lead to a large cohort of mature-age unemployed people who will be unable to overcome discrimination in the workforce to find work in their sixties.

I have touched on some of the feedback from community stakeholders and I will touch on a number of other areas of feedback that bear upon these bills. National Seniors Australia have said that 'Joe Hockey's first budget is full of little nasties'. The CEO of the St Vincent de Paul Society, John Falzon, has said:

There are measures in this budget that rip the guts out of what remains of a fair and egalitarian Australia.

Industry Super Australia says it is too much to expect those in manual occupations to work until they are 70. Going back to ACOSS, the ACOSS submission to the Senate Community Affairs Legislation Committee's inquiry into the social services bills said:

… we strongly oppose budget measures which would impose an unfair burden on those least able to carry it. This includes changes to social security payments … which are likely to increase poverty and inequality in Australia and cause great hardship and suffering.

In summary, this government has misled on Medicare, pensions and 'no new taxes'. The Prime Minister said he would help families with the real cost of raising children, yet his government is cutting $7.5 billion in family payments—cuts which will leave some families around $6,000 a year worse off. The Prime Minister also promised there would be no cuts to pensions. He has broken that promise. This government wants to cut pensions and make Australians work for longer. So where does that leave us? Now we are left with the remnants of a tired, lost and friendless budget which has been comprehensively rejected by the Australian public—a budget still wandering these corridors in October looking for a bed, a couch, anywhere to have a good lie down and be put to rest.

Senator XENOPHON (South Australia) (11:51): There are many elements in these social services and other legislation budget measures bills that I simply cannot support. In my view, many of these measures are punitive and cruel, and they will further disadvantage the people in our community who most deserve our support. The Treasurer does have some structural issues to deal with in the budget. I agree with the cool heads, such as Jennifer Westacott from the Business Council of Australia, who say that we are going to have proportionally many fewer people in the workforce and many more people who will be ageing and demanding benefits, as they should, in the sense that we will have fewer people paying taxes and more people drawing on government revenue. So there are some structural issues that we need to deal with in the coming years. My concern is that this budget, and these budget measures, are retrograde and will not fix the problem.

It is also important to put into context a key element of the Treasurer's budget speech when he said that we need to be lifters, not leaners. Setting aside the fact that we do not need to be encouraging the idea of dividing our society into haves and have-nots any more than we already do, I say this is a simplistic approach to a very complex problem. When it comes to lifters and leaners, let us put this in a bit of perspective. I note that The Sydney Morning Herald, on its front page just two days ago, made mention of the fact that the rate paid by one in three of Australia's top companies is less than 10c in the dollar.
One company that I have a particular interest in is James Hardie. It effectively pays a tax rate of zero per cent because of the way it has restructured overseas and in the Netherlands. I should indicate that, as a long-time patron of the Asbestos Victims Association of South Australia, I know a little about what James Hardie's products have done to people. James Hardie knew, or ought to have known for many years, that it was peddling a very dangerous and indeed deadly product. James Hardie seems to be going down a path where it is having very healthy profits, and that is a good thing—I want James Hardie to do well so that it can keep up its compensation fund. But there appear to be shortfalls in that fund, which was established by a former senator in this place, who at the time was Premier of New South Wales, Bob Carr. I congratulate Bob Carr for the work he did in holding James Hardie to account, but it seems that there may be shortfalls in that fund.

The Sydney Morning Herald report indicates that nearly one-third of companies have an effective tax rate of 10 per cent or less. Mr Acting Deputy President Back, I am sure that, in transiting to and from Perth, you would have been to Sydney Airport on many occasions, and I presume you would be as outraged as I am about some of the fees that we pay at Sydney Airport. They do very well out of the hapless members of the travelling public and out of airlines, yet they are paying a tax rate of two per cent. Echo Entertainment, owner of Star Sydney Casino, pays a rate of five per cent. Leaving aside the issue of the enormous damage that the gambling industry causes, given the fact that a gambling establishment, Star Sydney Casino, is paying a five per cent effective rate of tax, then I reckon they are leaners, not lifters, when it comes to our nation.

The measures in these bills demonstrate that the government expects the most disadvantaged amongst us to do the heavy lifting for everyone else. Not only is that not okay; those on top of the heap are encouraged to lean on those below—that is what it looks like to me. This is not something I can or will support. I do believe we need to take action to repair the budget, but I think it is bad policy and bad economics to look at a graph and conclude that, since social services is the biggest area of expenditure, that should be the area to cut. What about areas of revenue? My concern is that, when it comes to revenue, we have not done enough. I do not agree with all that the Australia Institute says. Just so that I can put this in perspective, I think our think tanks in this country play a valuable role, and I am also grateful for the work that the Institute of Public Affairs does. It actually contributes to the public debate in a meaningful way, although I may disagree with many of the conclusions it reaches. But I think you need to have organisations such as the Institute of Public Affairs at one end of the spectrum and the Australia Institute, from the left-of-centre point of the spectrum, to trigger good public policy debate.

Dr Richard Denniss from the Australia Institute has done a lot of good work in relation to superannuation tax breaks, which have been described by the Australia Institute as 'the Hindenburg of the federal budget'. Back in April, before the budget, Dr Denniss said: 'It's the big elephant in the room. If we talk about the pension ballooning, well, this is the Hindenburg.' These tax breaks are not sustainable in the longer term. I believe we should encourage private superannuation. In fact, I have a private super fund. I do not mind people paying more tax on private super once they get to a certain sum. I think a benchmark or threshold of, say, $2 million for a private superannuation fund before an additional rate of tax were imposed would not be unreasonable, and that would be a significant source of revenue.
for the Commonwealth. We need to look at that in a way that is fair and equitable, because it is not sustainable given that we are looking at tens of billions of dollars for the cost of private superannuation tax concessions in the years to come.

I think the cuts imposed through this legislation are bad policy and bad economics, because they fail to take into account both the social and financial impacts. The measures in these bills will entrench the vicious cycle of disadvantage that exists in too many areas of our society. For many of us here it is difficult to understand or appreciate what it is like to live and grow up in these circumstances. I do not want to presume to speak for the people who will be affected by the measures in these bills—they have the right to speak for themselves. But what we do know is that punitive measures do not work. Instead, they lead to increases in crime, in substance abuse and in further disadvantage. In particular, the proposed Centrelink allowance waiting period could have a huge impact on people's ability to feed themselves or their family and could mean the difference between having accommodation and being made homeless.

The other issue is that jobs are just not out there. You could almost see a rationale for this in a period of full employment, but things are getting grim in terms of employment. In my home state of South Australia we are looking at many thousands of jobs being lost in the coming two to three years unless we can do our best to manage the transition from General Motors Holden leaving manufacturing in the state, along with all the component suppliers that they are involved with. And, of course, if we get the shipbuilding and submarine-building programs wrong, many thousands of jobs will be lost in my home state and across the country. Why would you want to punish a young job seeker when the jobs are simply not out there? We have failed our young job seekers, and our unemployment rate—with a headline rate of between six and seven per cent, depending on which state and which month—is inherently misleading. This is because a number of years ago the rules were changed, albeit internationally, so that if you are working one hour a week or more you are no longer deemed to be unemployed. The level of underemployment in our community is massive, particularly among young job seekers. You cannot afford to pay off a mortgage, get a loan for a car or plan your life if you are working only eight or 10 hours a week. So let us put that in perspective. I know my friends in the ALP and the Greens oppose me on this, but I think we need to have some flexibility on penalty rates for small businesses with 20 employees or fewer in the retail and hospitality industries. If there is some flexibility there, not on paying the award rate—I do not support reducing the award—or paying a casual loading, which are important, but on getting rid of some of the more punitive aspects of those rates we will see more people being employed.

Only a few weeks ago we debated the government's proposed changes to the penalties for serious failures relating to Newstart allowance. That bill, which was thankfully voted down, would essentially have made the penalty of an eight-week non-payment period the default for any serious failure. It removed the secretary's discretion not only to waive the penalty but also to end the penalty early where there was serious financial hardship. During the debate on that bill I quoted 2008 data from the Department of Education, Employment and Workplace Relations which showed that approximately 15 per cent of people subject to a non-payment period lost their accommodation and a further 50 per cent experienced difficulty in paying their rent and were put at risk of homelessness. It is not difficult to extrapolate that the proposed six-month exclusion period will have an even greater impact.
It is important to remember that these measures will affect more than those who are suffering serious disadvantage. The changes to the indexation of pensions and the family tax benefits may not have the same severity of impact, but the impact could still be significant. In relation to the family tax changes, these proposed amendments will likely affect the ability of families to access childcare and similar services. In turn, this may mean it is no longer financially viable for the lower earning parent to remain in paid work. Statistics tell us that this is most likely to be the mother. As such, the proposed changes will have a further impact on the ability of women to remain in the workforce. I have quoted the following statistic before, but in my view it is an incredibly important one. In 2012 the Grattan Institute released its paper *Game-changers: economic reform priorities for Australia*. The report stated:

Removing disincentives for women to enter the paid workforce would increase the size of the Australian economy by about $25 billion per year. The most important policy change is to alter access to Family Tax Benefit and Childcare Benefit and Rebate so that the second income earner in a family — usually, but not always, a mother — takes home more income after tax, welfare and childcare costs.

It is important to note that the paper estimates we could achieve that $25 billion by increasing the participation of women in the workforce by just six per cent. The amendments in this bill will do the opposite. Not only is that bad for the economy and a lost opportunity to add $25 billion to our GDP but they will also have a significant impact on the individuals and their families. Being out of the workforce does not just mean you are not taking home money right now, it means you are disadvantaged in terms of superannuation in the future. There is also the social context to consider. Participating in the workforce has benefits that go beyond just the financial.

On similar lines, I want to make a particular point regarding the proposed changes to the indexation of the single-parent payment. I acknowledge the government's view that this is the only payment that is indexed to the CPI and benchmarked to 25 per cent of male total average weekly earnings, as opposed to being indexed according to the higher of the CPI and the Pensioner and Beneficiary Living Cost Index and benchmarked to 27.7 per cent of male total average weekly earnings. However, it is important to note that recipients of the other allowance received a one-off weekly increase to compensate for the change in indexation when that occurred in 2009. PPS recipients never received that one-off increase, and indeed the eligibility requirements for the allowance were tightened even further in 2013. Under the proposed changes PPS recipients will be worse off in the future because their allowance will increase more slowly than it would under the current arrangements. This measure is a slap in the face.

I started by talking about what some companies are paying in tax. The effective tax rate for about one-third of companies is 10 per cent. I think most workers who are on a reasonable income would love to be paying a tax rate of 10 per cent. I agree with Senator Bill Heffernan—

*Senator O'Sullivan interjecting—*

**Senator XENOPHON:** I am not sure why Senator O'Sullivan is smiling. I agree with Senator Heffernan on many issues; some others we will agree to disagree on. He is right. He has warned that if you turn a blind eye to the billions of dollars going out of the door and offshore you are doomed to being unable to provide what people expect from government — roads, schools and hospitals. In Senate estimates not so long ago I asked about the
approximately $130 billion that is being transferred offshore from Australian companies. If transfer payments are taking place that is costing the Commonwealth a lot of money in revenue. I acknowledge that the Treasurer, Mr Hockey, has been very vocal about this at the G20 and has actually done some good work about this. I think the Prime Minister recently made mention of this as well. If a tax transfer is occurring with, for instance, Apple then we need to be aware of that so that they pay a fair share in tax. If there are price differentials and the like then we need to know about that and we need to act on it. We need to have a budget that is much more equitable. I see that the government has put so much emphasis—too much emphasis—on these changes that I think are cruel and counterproductive.

Finally, on behalf of those self-funded retirees who are very concerned about getting rid of the Seniors Supplement of about $800 a year—I send a cheerio to my Aunt Effie, who has been in this country for over 50 years. She has worked her guts out and is a self-funded retiree with my uncle. It takes a lot to get my Aunt Effie upset—in fact, I have never seen her upset in all years that I have known her. She was upset about getting rid of the Seniors Supplement. Her words to me were that she has paid her taxes, she has worked hard all her life and she is self-sufficient. The Seniors Supplement was very important for her and her family for getting by, for helping out her grandchildren. That was just snatched away from her. I think the government could find that Aunt Effie and many others in a similar position who may have been supporters of the coalition may be swinging in another direction on their lower house vote. I assume she votes for me in the upper house.

**Senator Dastyari:** Secret ballots!

**Senator XENOPHON:** It is a secret ballot, yes, Senator Dastyari, although my Aunt Effie valiantly handed out how-to-vote cards for me for a number of hours. If someone is happily handing out how-to-vote cards you are probably safe to assume that they are more likely to have voted for you.

**Senator Dastyari:** Don't be that naive!

**Senator XENOPHON:** I will plead guilty to that. I think a lot of Australians would have accepted a number of measures in this budget if they felt that the pain was being shared more across the board. I think the government has miscalculated in a number of measures. I hope the front page of the Financial Review—the story by Laura Tingle and Phil Coorey—was accurate this morning; I understand the Treasurer said that it was not accurate. I do believe that there is a task to repair the budget; I do not believe there is a budget emergency. I get what the government is saying about repairing the budget; I just disagree as to the path it has gone down to achieve that. I hope that we will see some further dialogue with the government in an attempt to remedy the budget task, but in a way that is much more equitable than it has been to date.

**Senator DASTYARI** (New South Wales) (12:07): I think this is actually a very welcome debate for this chamber to have. Sometimes in this chamber we get caught up in an individual piece of legislation or the impact of an individual measure. We should do this as we scrutinise legislation, but sometimes we need to take a step back and ask: 'What is the discussion here about?' The question is fundamentally about the kind of Australia we want to be. What kind of a society do we want to be? What are the responsibilities different people have within that society?
Yes, there are issues relating to Australia's budget that need to be addressed. Do those issues amount to a budget emergency? No. Are they manageable? Yes. Do we have to look at spending and saving measures to address them? Of course. As it moves away from an expansionary phase—which we were in post-GFC to stimulate the economy—any prudent government should be looking at measures as the economy starts moving out of that phase to start reducing spending. No-one is objecting to that in principle, and in fact it is welcomed. The questions are: who is paying for it and how are they paying for it? Ultimately, that comes down to a set of priorities and a set of values.

There is a fundamental challenge at the heart of the Australian condition. Yes, on every socio-economic indicator we are getting wealthier—people are living longer, everyone's income scale is improving. If you look at every graph and study, you know that we are in the top two or three countries in the world in which to live. That is a good thing, but it does not tell the story of how much pressure everyone is under—and every family is under. Everyone is under an incredible amount of pressure—social pressure, financial pressure and time pressures. When you look at a budget and at these kinds of measures, you need to ask yourself the question: what can we be doing as a government, a parliament and a society to ease some of the pressures that people are under? What is our role?

There is a real debate we need to have around the issue of the quality of life and what the government of Australia can do and should be doing about the quality-of-life challenges people are facing. The reason I fundamentally disagree with huge elements of this bill is that it buys into the idea that we are going to be balancing the budget on the backs of people who are already doing it really tough. I do not object to the principle that something needs to happen from time to time, but you have to ask yourself about priorities. I cannot accept that we as a society and a nation should be looking to balance the budget on the backs of those who rely on welfare, who rely on the state or society and who are doing it so tough, while at the same time it is somehow appropriate for us to be looking at a paid parental leave scheme that is far too generous and geared towards some of the wealthiest in our society. The two measures are irreconcilable.

That is fundamentally the issue I have. It comes down to what the government says it wants its priorities to be. The priorities it is outlining in this legislation are the wrong priorities. Today the Financial Review has a front page story that claims that the Treasurer is walking away from a whole series of budget measures because of the lack of support in this chamber—that the government is looking at not introducing them and looking at doing a mini-budget of sorts as part of the MYEFO process later in the year. I hope that is true. I know the Treasurer went on the radio this morning to say it was unequivocally not true—that it was a lie and that he was proud of his budget.

The reason people on this side of the chamber do not support these measures is that they are bad. It is a bad measure to put a $7 tax on someone who goes to see a doctor. It is a bad measure to say, 'I am going to be pricing a generation of young people out of higher education.' It is a bad measure to be trying to introduce a bill like this on those who have the lowest income and are doing it so tough. It is a bad measure when you turn around and tell young people under 30 they have to wait six months to get welfare, when we know that youth unemployment is not only in double digits across the country but in particular regions well over 20 per cent.
These are bad budget measures. The Treasurer on radio this morning kept talking about how proud he was of them—how they were good measures and it was tough medicine. A notion has developed that the tougher, crueler, harsher, harder we are, the stronger the resolve of the government is. I say this to the Treasurer: 'If you are so proud of these budget measures, of these bills and of what you have proposed to the Australian people as part of your budget, then bring it on.' Bring the bills into this chamber, let us have the debate and let us see where the Australian public are going to line up, because they are not going to support you. I am bothered by the conflation between two separate arguments: one argument says we need to do something about fiscal discipline and the other says we need to do something about the budget emergency. Again, yes, we should be looking at measures that stop waste and mismanagement and we should always be looking at opportunities for trimming elements of government. We should always try to put ourselves in a sustainable position, but this is not the way to do it. It is not the way to do it, as Senator Polley said, on the backs of hard-working, struggling Australians. That is the easy way out. It is the easy way out to say, 'we are going to tackle those on welfare, and yet we are going to let some of the biggest, most powerful companies in Australia get away with a tax regime that has allowed them, internationally, to be able to run away from that regime'. Now—suddenly—the Treasurer has become a convert to the whole issue of multinational tax avoidance—when a couple of years ago he was actually voting against every proposal that was brought into the other place!

We have to ask ourselves: what kind of a society do we want to be? Who is it that we are responsible to? Surely, as a wealthy, middle-income nation, we can afford to make sure that those who are doing it tough and those who are struggling—those who rely on things like social security—are not the ones who are going to be paying for it. We need to make sure that we are not going to be a society that says yes to a Paid Parental Leave scheme which is unaffordable and which is skewed towards the wealthiest; that we are not going to be a society that turns its back for far too long on tax avoidance; that we are not going to be a society that says we will not look at things—like in super and in other areas—where we can actually consider raising revenue; and that we are not going to turn around and say: 'We are going to be a society that will achieve those kinds of economic objectives'—which are, in part, valid but have been exaggerated and blown out of proportion—to achieve an ideological agenda, and we are going to achieve those objectives on the backs of some of those people that are really struggling.'

It comes down to this issue about the cost of living. I think, sometimes, people have misunderstood what the debate means. I believe that cost of living is one of the three key components to the big issue, which is quality of life. People are under cost-of-living pressures, they are under time pressures, and they are under social pressures. Cost of living is certainly a very large, if not the largest, component of that. But there is more to it, for us as a society. Acting Deputy President, I think you will find that the Australian public—the Australian people—want a welfare system that they can rely on. They want a safety net. They want measures out there which protect those who are on low incomes, and which protect those who are struggling. Part of what makes this country great—part of what makes us so proud to be part of this nation—is the fact that we have a society that will look out for those who are struggling. We have a society that will be there for those who are doing it tough. And part of that has been built around the welfare safety net. What worries me is that in all of these measures there is a fundamental attack on what it means to be Australian. There is a
fundamental attack on the principles which underpin our social safety net—and that is what concerns me. That is what bothers me. It is about stating your priorities.

We have had the debate before, and we will have it again, about a government of broken promises; about a government who said before the election that there were not going to be cuts in areas like health and education; to the ABC and SBS—

**Senator O'Sullivan:** You were going well until then!

**Senator DASTYARI:** Well, Senator O'Sullivan, we kept being promised this new high standard; we kept being given assurances that these promises were not going to be broken—and they have been broken.

As I said before, we have had the debate and we will continue to have the debate about promises that have been broken. I really want to try and take a step away from that debate, because I think there is a fundamental question here: what is it we are saying about the society we want to be? My issue is not just that the promises have been broken—I think that is reprehensible, and I think politicians who do that pay a price. The lesson, from all sides of politics, over the past twenty years has been that if you make commitments before an election, and if you do not meet those commitments after the election, the Australian public will hold you to account at the ballot box. I think there are numerous examples, from all sides of politics in the past few decades, where politicians have paid the price for that. That has been a bipartisan failure across politics in this country for a long period of time, and people have paid the price at the ballot box at federal, state and local government levels, repeatedly, for not learning that lesson.

I believe that a lot of this really comes down to an attack on the value system. This says a lot about the government. It says a lot about their values and about their priorities. And there is no group that is more badly affected at the moment than those younger Australians who are being attacked on so many levels. That is my concern: yes, they are not the most powerful group when it comes to speaking up and being politically engaged; they are not the most powerful group in terms of lobbyists. I commend the amazing work of organisations like National Seniors and the Council on the Ageing. They have done an incredible job in speaking up openly and publicly about their concerns. Unfortunately, I think the group that is getting really squeezed in all of this is young Australians who, for many reasons—disengagement with politics, priorities, lack of organisation—have not really spoken up.

If you look at what is happening to younger Australians as part of these budget measures, it is really concerning. You start off with the cutting of funding to school programs through Gonski—the fact that, after a couple of years, the funding will not be continued, and the educational opportunities at a schooling level will be affected; and then you add the fact that apprenticeship program are starting to disappear—gone! When you have a nation that is not prepared to protect its manufacturing base and the priorities of a manufacturing society, the opportunities go. We have to be prepared to accept the fact that we need to create different paths for different people, and for young people, to go through. Not everyone wants to go to university, or should go to university, or needs to go to university. But we have always been a country that was proud of our apprenticeship programs and proud of our manufacturing base. If that is not the nation we want to be, that is another opportunity gone.
Then you start looking at the university sector, and you look at what the deregulation is going to do. Again, I worry less about those future lawyers and doctors who can take on $100,000 of debt to become, for example, a top-notch lawyer, and this and that—those people, in many cases, will be fine in any kind of system; those who can afford it. But I worry about the migrant kids in Sydney, whose parents flew out here—similar to the way my parents did—and who do not have those kinds of connections, or the income, or the opportunities. For them, going to university would have been their path out. I worry about what happens to universities, like UWS and others, in this kind of deregulated system. I am a Sydney Uni boy; but I do not worry about the Sydney University law school—I am sure that the Sydney University law school is going to do very well out of this. But the Sydney University law school should not be the priority of this government. The priority should be those people in struggling universities, those people who are the first person in their family to go to university and those people who often have to make a financial decision about whether they can incur and carry that kind of debt or whether they are not going to pursue a higher education.

On top of that, there is an increasing rate of youth unemployment. Youth unemployment has consistently been out of control. I want to take the politics out of this. Frankly, this is an issue which governments have wanted to tackle in the past 20 years, but there has been a bipartisan failure to tackle the real underlying issues of youth unemployment. To add to that genuine issue, there is this whole notion that young people will have to wait six months before they are able to access welfare—

Senator O'Sullivan: You are ignoring the question. How do you fund it? Do you borrow more money?

Senator DASTYARI: It is not as if there are an amazing number of jobs out there at the moment that young people are choosing not to take. If you look at any statistic or any report, it is not there. Senator O’Sullivan has been interjecting and asking me, 'How do you pay for it?' This is the point that I am making, Senator O'Sullivan: we have to ask ourselves as a society what our priorities are. It is a question of priorities. I do not believe that the priorities are right when you say that you are going to have a Paid Parental Leave scheme worth billions of dollars—

Senator O'Sullivan: Just answer the question. You are saying, 'Just borrow it; just borrow the money.'

Senator DASTYARI: That is not what I am saying at all. I am saying that I do not believe that your priorities are right when you turn around and say that you are going to have a Paid Parental Leave scheme worth billions of dollars. I know that in the party room you express private concerns about the Paid Parental Leave scheme. I know that when you are not before the cameras you have spoken words other than those that you are prepared to say when you get up and speak today. But I question your priorities, and it really comes down to a matter of priorities. We are not saying there is a bottomless pit of money here. We are saying, 'Ask yourself what your priorities are going to be.' The problem with the social security bills that we are debating now is that the priorities within them are wrong.

Senator O’Sullivan interjecting—
The ACTING DEPUTY PRESIDENT (Senator O'Neill): Senator Dastyari, continue your remarks through the chair and ignore the interjections.

Senator DASTYARI: Fundamentally, it comes down to where the priorities are. The point that I am making is that the priorities here are wrong. Fundamentally, there is a bigger question here: where do we want to go as a nation and what kind of a society do we want to be? I think those in this chamber have a responsibility to protect the social security system and to protect the welfare system. We need to accept the fact that those of us who have the opportunity to be in this chamber have had many things in our lives—we have put in a lot of hard work and a lot of dedication, but we have also had a lot of luck and a lot of opportunity. Not all Australians have had those kinds of opportunities. The privilege and the honour of being able to serve in places like this increase our level of responsibility to those Australians, some of whom are doing it really tough.

Fundamentally, when we look at these issues of budget and when we look at issues around tackling fiscal challenges, we have to ask ourselves: whose backs are we doing it on, how are we doing it and what are the priorities and values that underpin it? I disagree with those on the other side of the chamber. I believe that these bills—and certainly many elements within these bills—fundamentally fail the test of priorities and the test of values.

I was here when Senator Ketter was talking earlier. He outlined how these measures will affect older Australians, and he outlined the great work of COTA and of National Seniors. I think that we also have to remember that younger Australians are at risk of being the most damaged as part of this process. Just because they are not necessarily the loudest or the most organised group does not mean that their issues and what is happening to them are of any less significance.

In conclusion, everything comes down to priorities and values. When we debate bills in this chamber, we should not only look at the specifics of legislation—and there has been a lot spoken about the specifics of these bills—we should take a step back and say: 'What is this saying about our society? What is this saying about Australian identity?' Fundamentally, I and many others in this place believe that the problem with these bills is not just that there are individual measures within them that are wrong—though I believe there are. The problem is that they are a fundamental statement about what kind of a society we want to be, and the society that these bills suggest is not the Australia that I am proud of, not the Australia that I want to see in the future and not the Australia that I want my two young girls to grow up in.

Senator LUNDY (Australian Capital Territory) (12:27): I rise to speak on the Social Services and Other Legislation Amendment (2014 Budget Measures No. 1) Bill 2014 and the Social Services and Other Legislation Amendment (2014 Budget Measures No. 2) Bill 2014. The measures that the government seeks to introduce in these bills are indicative of the government's intent to dismantle the systems that represent the Australian values of fairness and equal opportunity. It is why the people of my electorate in the ACT, and indeed across the country, have expressed their strong opposition to many of these proposed changes—changes which were made public for the very first time on budget night.

The proposed legislation is a clear attack on those on low and middle incomes, a particular attack on young people, an attack on families and an attack on older Australians, while leaving the top 20 per cent of households virtually unscathed. It exposes the government's intention to target those in Australia who have the least, ever increasing the divide between
those who have and those who have not. What is worse, the language used in the statements made by the government in introducing these changes shows that they do not respect some of these fundamental principles within our community.

I think it was US Vice President Joe Biden who said that people are only able to show their values through their actions. While the government can lay claim to their values, it is this budget that gives us the greatest insight into what they value. As a result of this budget, we know that they do not respect the values of fairness and equity in our society and that they do not respect the fundamental value of those who are capable supporting those most in need. Pensioners, young people and families raising children are those who primarily are targeted in this legislation. That is why Labor will be moving amendments to remove those inequities. Following the removal of those inequities through our amendments we will, under those circumstances, support this legislation.

Senator BERNARDI (South Australia) (12:30): In commencing my contribution to the debate on the Social Services and Other Legislation Amendment (2014 Budget Measures No. 1) Bill 2014 and the associated bill, I would like to outline the general budget context in which we are forced to put forward such changes to social security in this country. Most Australians would know that Australia does indeed find itself in a circumstance that is unprecedented in our history. We have a significant national debt, some hundreds of billions of dollars, whereas only six or so years ago we had zero net national debt—from zero to several hundred billion dollars of excessive spending in only six or so years.

It is the unfortunate remit of this conservative government to redress the economic damage that has been done to our society and to the budget—to our nation's books, if you will—by six years of spendthrift government. In doing so, there are tough choices that need to be made. Make no mistake about that. The government has made it clear that everyone within the community is going to have to do a bit of the heavy lifting.

I am on the record as saying that I do not agree with all of the measures put forward in the budget, but I do have to say that it has the balance about right, because it does apportion responsibility to those who successfully earn and to those who receive often much-needed benefits, by instilling in them ideals like mutual obligation. Perhaps we can limit some benefit increases for the purpose of maintaining a more cohesive and sustainable whole of nation. That is the essence of what we are discussing here.

But, of course, there are people, irresponsible people, who believe that it is okay somehow for this generation to take and take and mortgage the future—to say, 'It does not matter. I am not going to be around. I am going to let my children, grandchildren or great-grandchildren pick up the slack, because I am not prepared to wear any of the pain now.' I think that is wrong—it is morally wrong. It is incumbent upon all of us to accept our own responsibility today so that we can take a bit of the heat out of our children's future.

Gross government debt in this country is forecast to be $389 billion in 2014-24. That is if we can pass the budget measures this government is proposing. If we do not, if we continue down the previous path—the Labor-Greens alliance path—the gross government debt would be almost double that, at $667 billion. That is the extraordinary legacy of having governments that do not have a clue about how to manage money.
Let us make no bones about it, the bill we are talking about here deals with social services, and it deals with much needed change in social services. The reason it is such a substantial bill and has such an important impact upon our budget bottom line is that this year's budget, the 2014-15 budget, has over $146 billion in social security spending in it. That is about 35 per cent of whole of government expenditure.

In the 2013-14 year, spending on the age pension alone—a much needed and very important pension for so many in our community, is scheduled to reach $40 billion for the very first time. Given the demographics of this country—that we are ageing and living longer, and thank God for that—we are going to have more and more people who will be dependent on either private means, or on public means when private means are not available, to sustain them through their retirement years. The upshot of this is that, based on demographics, we are going to have fewer people working and being able to pay the taxes to sustain these sorts of expenditures. These are very important things for people.

So there is $40 billion in age pensions. We know that $19 billion or so is scheduled to be spent next year on family tax benefits. Once again, these are a very important component of sustaining family life in this country. I would prefer government to take less tax in the first place, and allow people to keep more of their own money. That is a philosophical disposition. I would love to see things like income splitting or tax-free thresholds increased for single-income families. There is a whole range of measures in which things could be done, but I have to address myself to the matter in hand. Successive governments have said that the family tax benefit is one way of addressing some of the imbalance in our community and within our tax system. So we have a substantial amount of money, $19 billion, being spent on family tax benefits in the last budget. Then there is another $10 billion—these numbers just roll off the tongue, I know—being spent on assistance for unemployed and sick Australians.

It is worth reminding ourselves that when the aged pension was instituted in 1909, it had an eligibility age of 65. At that point, the average life expectancies for Australians were 55 years for men and 59 years for women. The aged pension kicked in after about 10 per cent extra on life expectancy. Over the past century, I am very thankful that the average Australian life
expectancy has lengthened by about 25 years. But with that has come an assortment of more people being on the aged pension for a longer period of time than ever was conceived of in 1909. Also, it adds significantly to our medical bills. They contribute enormously to our quality of life and the general fabric of society, but we cannot deny the realities that with all the benefits comes a substantial amount financial cost. No-one I know wants to rein in the benefits of medical technology, but all of these things need to be put on a sustainable footing.

That is what this bill seeks to do. The budget does not actually cut the aged pension. It is going to continue to increase twice a year to keep up with the cost of living. I think that is absolutely important. But there are structural changes and these are sort of far-sighted, visionary changes that I think are truly important to the future of the country. That is because we need to make sure that payments of this type are viable into the future.

I would just like to touch on some of the changes that have been incorporated into the Social Services and Other Legislation Amendment Bill. They are far-reaching, which is why there is such a substantial amount of debate on this. Firstly, there are some changes to indexation and payment rates. This bill contains several measures that make changes to the indexation of government benefits. There is a lot of toing and froing and hopping and puffing about these sorts of things, but ultimately these changes are designed to help reduce debt. That is meant to help put Australia back on a more sustainable economic and fiscal footing without reducing payments. That is a very important thing for the Australian people to understand. It is designed to help reduce debt, but not reduce your payments. There are income and asset free areas for all working age allowances and parenting payments, with the exception of student payments. They are going to remain at their current levels for three years. Once again, it is important measure of sustainability.

Also, there are certain family tax benefit income thresholds that are going to remain at their current levels for three years. That is, until 2017. Once again, we are asking people to absorb some of the pain in the interests of making things sustainable. The bill also ensures that single parenting payments are indexed because the consumer price index. This will deliver savings, but at the same time it is going to ensure that payments for single parents do keep up with the cost of living. These measures alone—the changes to indexation and payment rates—will ultimately save the budget nearly $1.2 billion over the forward estimates. They are not without some inconvenience for people, because the cost of living does continue to rise. If you freeze benefit payments, it is going to impact people. But we are asking everyone to shoulder a little bit of the burden so that no one group has to shoulder a heck of a lot of it.

There is no more important group—it is always a risk saying that. My sympathy and empathy does not go out to any group as much as it does to those who are living with a disability. I think that goes for many in this place. It is incredible to think of the hardship that they endure themselves, as well as what their carers endure. The benefits that so many deserve have been redressed or addressed in this place through the work of Senator Fifield, as the former shadow Minister for Disabilities, and the National Disability Insurance Scheme and others. We recognise it is very important thing.

But there are some changes to the disability support pension, which will help support young people with disabilities to enter the workforce if they are able to do so. I think that is a very, very good aspiration to have. That is because the government, to their credit, recognises that people with disability who are able to participate in the workforce have better long-term
outcomes if they do actually engage in work. The social, economic and health benefits of active participation should never be understated. That is why compulsory work-focused activities—such as work experience, education, training and job searching—will help some DSP recipients, those principally aged under 35, to find and keep a job. What an important experience that is.

Some DSP recipients aged under 35 will also have their work capacity reassessed and their eligibility reviewed. They will be supported to the maximum possible level to help them maximise their work capacity. This simple, prudent change and this important measure is going to cost the government $46 million over five years. But it is going to actually deliver better outcomes for those DSP recipients who will be able to gain meaningful work as a result of this. We are investing in people's dignity and we are investing in people's futures. That is because we recognise that one of the best things that anyone can have in this country is a job, working to the maximum of their own capacity.

There are also some changes to student payment portability. I would refer to them as common-sense amendments to portability rules for student payments. Students can continue to claim their income support payments while they are holidaying overseas for up to 6 weeks. It does not mean they are taking a gap year and getting student payments; it means that for up to 6 weeks they can continue to receive benefits from being a student, because we believe that investment in education is in the interests of the individual.

STATEMENTS BY SENATORS

The ACTING DEPUTY PRESIDENT (Senator O'Neill) (12:45): Order! It being 12.45; the debate is interrupted. The Senate will now move to senators’ statements. Just a reminder to senators: pursuant to the new temporary order agreed to on 24 September, a senator may speak for up to 10 minutes.

Queensland: Health

Senator O'SULLIVAN (Queensland—Nationals Whip in the Senate) (12:45): I am pleased to be able to give the very first of senators’ statements in this place under the new arrangements and on a topic that I am certain will enjoy the support and encouragement of all sides of politics, regardless of our particular partisan interests.

I rise to speak about the advent of an initiative known in my homestate of Queensland as the Heart of Australia. This project embodies the most innovative approach to front-line specialist medical services to be delivered in generations. It specifically aims at assisting those Australians whose access to medical facilities of a standard that is taken for granted by many of us is threatened by our nation's vast distances. This initiative is the brainchild of Dr Rolf Gomes and his wife, Kylie Gomes. They have facilitated the establishment of the nation's first mobile specialist cardiac health service clinic. Whilst this is unique to Queensland, I fully anticipate that this project will operate in some ways as a pilot. I know that it has attracted great interest across our nation, and I expect that health professionals all over the country and those who are responsible for the development and implementation of public health policy will be watching this initiative very closely in order that it may be duplicated, not just in the way that services to do with cardiovascular disease are delivered but also in the way that a very wide range of medical services can be delivered remotely, with the right amount of planning and support.
Millions of Australian are affected by cardiovascular disease. It is rated as Australia's biggest killer and, at any given time, it affects the lives of up to 3½ million Australians. One of the tragic statistics that goes with cardiovascular disease is that, if you live in rural and regional Australia, you are more inclined to be affected by this disease by about 15 per cent. This is a very significant variation and one that ought to remain of serious concern to all those who develop and implement health policy in our country. If you go to communities where the inhabitants are predominantly our Indigenous Australians then this figure with respect to cardiovascular disease increases once more to levels which I say we should all be embarrassed about.

People living in rural and regional communities have less access to many critical health services. People in regional, rural and remote areas of Australia experience poorer health outcomes than those living in urban areas on just about any test that is applied. Life expectancy in regional areas of our country is one to two years lower and in remote areas it is up to seven years lower than the average in our major cities. These stats are compounded by the fact that people who live in regional areas and whose life is tragically affected by trauma injuries do not get the critical treatment within that important time span post the event because of remoteness, distance or availability of services. People in regional, rural and remote communities have limited access to primary healthcare services and are more likely to be admitted to hospitals for conditions which could have potentially been prevented through the earlier provision of non-hospital services and care.

In my maiden speech in this place, I made clear the point that over decades the economic rationalist policies of many administrations—and I think I commented at the time that bad policy has no respect for the political incumbent, so they have been decisions taken by governments of all walks of life—have reduced all levels of services in a very critical way to many hundreds, if not thousands, of our small communities across the country. I was quite specific about the affects of this policy on my homestate of Queensland, but I am sure it applies equally to most of the rural and regional areas in the country. Over time we reduced people's access to services. We closed the courthouses. We pulled up the railway lines. We closed the schools. Also, at that time, we gave licence to the private sector banks, the real estate agencies and the stock and station agencies to leave these small communities and districts. One of the most critical sectors to leave was health services. Indeed, there was a time when women who lived in the many dozens of small communities in my home state could go through their confinement in their community. They could prepare for the delivery of their family member and, indeed, give birth to their child in those communities—but now that is not the case. In fact, many of the communities that at one time were properly staffed with health professionals now have none at all. It means that people in those small communities—and, as importantly, the very big districts that they service—now have to travel hundreds of kilometres to get simple primary health care, such as the setting of a broken bone or some other treatment that might be critical to their condition.

It is within that context that I have been proudly, along with quite a number of others, supporting Dr Gomes in his Heart of Australia initiative. It is a superinnovative project that includes a massive trailer. This would be of interest to you, Senator Sterle. I understand it is the longest trailer, at 29 metres, to be commissioned to go on the road. Its launch will be on Friday morning in my hometown of Toowoomba, where I will proudly be representing our
government and the parliament generally. This service will take state-of-the-art cardiovascular
diagnostic equipment to all of the small regional and rural community hubs. Effectively, an
individual—who otherwise may have taken weeks upon weeks to get referrals and to travel
from their community to larger centres like Townsville and Brisbane—will now be able to
have these tests done right there at home, maybe only a block from where they live, if they
happen to live in or near one of these community hubs.

There is evidence that many people on the land often put off testing for cardiovascular
disease. They put chest pains and chest pressures down to strains from
work. They wait until
the shearing is completed or the mustering is done or whichever of those heavy chores for
people struggling on the land is finished before they get checked. In doing that, they are
taking a gamble. As of Friday, that all changes. They will now have regular and very
accessible opportunities for their GP to refer them to this mobile clinic, for want of a better
description. If their cardiovascular condition is of a serious nature, they will have access to

I commend this initiative to this chamber and to our government generally. I will be seeing
that my government pays close attention to observing this trial and the implementation of this
service, because I think it has enormous application. I wish to close by saying that, in the
fullness of time, Dr Rolf Gomes will be recognised as a pioneer in this very important space.

Budget

Senator SINGH (Tasmania) (12:55): I rise to speak about the impact of the government's
budget on an iconic Australian institution of scientific research, the Commonwealth Scientific
and Industrial Research Organisation, known as the CSIRO, and, in doing so, highlight a self-
evident truth about the Abbott government. That truth is that this is a government that does
not want evidence and ignores facts. This is a truth that holds in almost every aspect of the
government's policy proposals but nowhere so clearly, or so damagingly, than in its attitude to
climate science.

This conservative government has made a political dark art form of ignoring complexity
and cherry picking the points, opinions and review panel members that suits it and then
disregarding everything else, like scientific research. This is bad news for Australian science,
dedicated as it is to finding the best evidence and presenting the facts. Facts change, and we
need science to change them, but, even as our planet warms inexorably, this government's
ideology will never change, whatever the facts.

The CSIRO is losing $111.4 million over four years. It stands to lose about 700 staff this
financial year on top of the 477 lost in the past 12 months—the biggest job cuts in CSIRO's
history. The organisation will also be hit by a separate 'efficiency dividend' cut of $3.4 million
over the forward estimates. I recently met with representatives from the CSIRO Staff
Association in Hobart, who told me of a profound despondency within the organisation
stemming from the budget cuts, job cuts and a real fear that Australia's future prospects will
be completely undermined as important research is stopped.

Tony Abbott made an election promise to 'provide the long-term, stable policies and vision
that our nation's scientists and researchers need to excel in their work', but he declined for the
first time since 1931 to appoint a science minister as part of his cabinet. The Prime Minister's
Australia is the only OECD country that does not have a contemporary national science,
technology or innovation strategy. Government figures show that in 2014 investment in research and development has dropped to its lowest level in 30 years. This government claims it is mainstreaming science when in fact it is ignoring it or, worse, gutting it. The Abbott government says that it is building ‘a strong, prosperous economy and a safe, secure Australia.’ But, in doing so, it has taken millions upon millions out of scientific, education and research economies while actively attempting to re-prioritise 19th and 20th century technologies like coal. It is crippling the research and development needed to build the future it envisages. Nations with economies in much worse shape than ours are investing more heavily in science than we are, because they recognise that, in the years to come, research and development represents the best hope for a vigorous population and healthy environment as well as a strong and innovative economy.

Scientific advances are our only hope of dealing effectively with climate change today and tomorrow. As Laureate Professor Jon Borwein has said,

It is sadly ironic that the current government's disavowal of global warming and attacks on related research are certain to substantially increase our medical bills down the road. Diseases will migrate, crop yields will change and so on.

This dismissal of science is an anathema to the Australian Labor Party. Indeed, the Leader of the Opposition has declared that science and innovation is a great Labor cause. We understand science. Labor are committed to making the long-term investments in human capital that will guarantee our future economic success and defend our national environmental security.

A 2012 study found investment in applied research led to 10 times more economic growth than investment in physical capital such as infrastructure. Investment in basic research led to 30 times more growth. And yet this government hacks away at Australia's science infrastructure, from schools to universities, institutions, agencies and organisations. No stone is left unturned when it comes to this government's attempt to absolutely denigrate science and its institutions in this country. All of them are losing their ability to make the breakthroughs we need. This loss is a scientific catastrophe that has prompted Nobel laureate Professor Peter Doherty to dub the Abbott government 'scientifically illiterate'.

It is widely acknowledged within this parliament that Tasmania has a reputation as an international marine and Antarctic research hub. But I would go further and say that Hobart is, in fact, Australia's scientific capital. Therefore, the Abbott government's cuts to the science and research sector of at least $878 million have the potential to hobble our city, a city I love, along with the rest of the nation. The reason I call it the scientific capital of Australia is that we have had, on average, more scientists in Hobart than in any other capital city per head of population. Tasmanian science funding has been cut by 23 per cent, compared to 13 per cent nationally, and the number of funded scientists in Tasmania will be cut from 260 to 201 by the end of the financial year.

The CSIRO is facing significant budget cuts to marine and atmospheric research, underlined by the decision to fold the Australian Climate Change Science Program into the new National Environmental Science Program, with a funding cut of $21.7 million in the process. The cuts in Tasmania will result in the loss of 31 full-time equivalent CSIRO staff and all of their scientific knowledge. The majority of the research scientists who will be lost
are based in Hobart, at the headquarters of the CSIRO's Marine and Atmospheric Research Division.

I imagine it comes as no surprise to anyone in this chamber that this government has put climate science research under the gun. In fact, the Marine and Atmospheric Research Division management has confirmed to the CPSU that reshaping of research delivered by CMAR capability means that there is a need to reduce research capability. Critical climate research streams facing cuts or total abandonment as a result of the decline in funding include atmospheric chemistry and climate, climate modelling, climate variability, climate projections and ocean climate processes.

The Abbott government does not like the facts of climate change, so it is making sure it cannot be given the evidence. The clear-felling of scientific research means that Tasmania will lose its most great minds to foreign countries that are committed to funding science and finding out about the future. Tony Abbott's longest legacy will be his deprivation of Tasmania, and Australia more broadly, of those who are best able to assist us to adapt to the environmental challenges that are before us. And we know that there are many of those environmental challenges, notwithstanding those in climate science and climate research areas.

Labor's legacy, on the other hand, will be to continue to champion the need to fund as much scientific research as possible, to make the necessary and critical investments in our nation's human capital which will be key to the future success of Hobart as a scientific research hub and of Australia—and the CSIRO is and has always been the body to do that through. Why a government would make such drastic cuts, the largest in its history, is beyond me. It certainly makes no sense when we are talking about what is needed for the future of our nation, let alone the future of our planet.

Climate Change

Senator RICE (Victoria) (13:05): In New York last week representatives from over 125 countries came together to reinvigorate international effort to tackle climate change. UN Secretary-General Ban Ki-moon invited these world leaders to Climate Summit 2014 to galvanise climate action and to build political will to tackle this immense challenge. Ban Ki-moon asked leaders to bring bold announcements and actions to the summit to reduce emissions, strengthen climate resilience and secure political commitments.

Sadly, Australia did not live up to the challenge of the New York talks. We were an international embarrassment, with our Prime Minister failing to attend the talks. Our representative, Foreign Minister Julie Bishop, went along instead and presented Australia's commitments, and they were roundly criticised as weak. The foreign minister played down Australia's contribution to global warming and the imperative for us to be a leader on climate action. The foreign minister failed to admit that Australia is amongst the highest polluters per person in the world.

Australia also was not there when the New York Declaration on Forests was endorsed, which came out of talks about forest protection. Forests are essential to our future; yet our government is AWOL when it comes time to endorse real action to protect biodiversity and carbon sinks. Australia failed to join world leaders in endorsing a global time line to cut natural forest loss in half by 2020 and to strive to end it by 2030. The World Resources
Institute says that meeting the declaration's zero deforestation goal in 2030 would cut more carbon than removing all cars, buses and planes from the US, China and India combined. The Declaration on Forests lays out a set of concrete actions and partnerships to address one of the biggest challenges of this generation. The declaration highlights that here in Australia we have a lot to work to do to play our part in global efforts to improve forest protection and management. We are already feeling the devastating effects of climate change and we must strive to limit the damage before it is too late. Our forests are a key piece of the puzzle. We must act now to protect native forests, to protect water supplies and to minimise the risk of hotter and more severe bushfires.

Protecting forests is essential to maintaining the diversity of species on this planet. We are standing by as extinction events happen at a staggering rate across the globe. Forests support up to 80 per cent of land based biodiversity. Research just released by the World Wildlife Fund shows that the number of wild land animals worldwide has declined by a devastating 39 per cent in the past 40 years. We are destroying these ecosystems at our peril. As a species, we rely on keeping the diversity of animal and plant species for our own survival. How many lifesaving medicines are we missing out on discovering? How much clean water will be ruined by dirty run-off of eroded soils? More than 1.6 billion people across the globe depend on forests for food, water, fuel, traditional medicines, traditional cultures and livelihoods. What will we tell our children and our grandchildren? So many creatures and wondrous plants will be left only as things of the past, remaining only in the stories we tell. I do not want orangutans to be a mystical creature from the past.

Closer to home, biodiversity loss is cutting right to the heart of who we are. In my home state of Victoria we are destroying the habitat of our own animal emblem. Our own symbol of the wildlife of Victoria is heading for extinction. Leadbeater's possum—a gorgeous little creature that lives in the mountain ash forests just to the east of Melbourne—is on track to become critically endangered as a result of intensive industrial-scale logging. Not only are we contributing to the possum's demise but we are using taxpayer dollars to subsidise it.

VicForests is making massive losses, but we continue to bail them out instead of helping our forest industries to complete the transition to plantations. In East Gippsland, VicForests is losing between $5 million and $6 million every year by logging forest habitats of threatened and endangered species, including the powerful, sooty and masked owls. Well done to community organisation Environment East Gippsland, who are currently taking legal action against VicForests because of this logging. These owls require intact forests with old trees with hollows. I have had the privilege of seeing powerful owls in these forests. They are magnificent creatures, up to a metre high. There may be as few as 400 pairs of them left in Victoria. They need our protection, not annihilation.

We now have the opportunity to protect these forests. South East Fibre Exports, who run the woodchip mill at Eden in New South Wales, has announced that it will not renew its contract with VicForests when it expires at the end of the year. This is because the global market for our woodchips continues to drop, replaced by higher-quality woodchips produced more cheaply from plantations in South America and South-East Asia. This is a watershed moment. This is the opportunity to protect our forests, to manage them for all their values. The alternative is to continue to destroy them with skyrocketing subsidies, as unsustainable economically as they are ecologically. But because there is no viability in logging native
forests for woodchips for paper, this dying industry is scrounging for a replacement. The alternative they are promoting is to burn our forests for energy in forest furnaces.

Under the current Renewable Energy Target scheme, energy produced from burning native forest products is prohibited from being used for Renewable Energy Certificates, thanks very significantly to the huge amount of work Senator Milne did to exclude native forest wood from the RET in the Clean Energy package. In the government's Warburton Review of the RET, however, the panel supported the government's desire to reinstate the eligibility of so-called wood waste from native forest as a renewable energy source. But characterising the native forest wood that would be burnt as 'waste' for energy is simply deceitful. The native forest logging industry's push for burning wood from native forests for energy is driven by its desperate desire to find a replacement market for its woodchipping operations.

The claimed reduction in total greenhouse gas emissions would not occur, because of the massive release of carbon from destruction of intact forests. We need our forests as forests, as carbon stores, working for us, soaking up carbon from the atmosphere. Even if the logged forest is allowed to regrow, it would be decades, if ever, before the amount of carbon stored in that regrowth returns to the levels stored before logging—and we do not have decades to play with. Australians do not want to power their fridges with electricity produced by burning precious native forests. They want Renewable Energy Certificates from energy sources that are truly clean. Using our native forests as an energy source would massively undermine the renewable energy market and the solar and wind industries, which currently employ around 21,000 people. This booming sector of our economy is just getting started. Consumers have the right to know, when they are purchasing genuine renewable energy, that it has not been produced by destructive forest furnaces.

The other big threat to our forests is bushfires. We are all aware of the dangers Australia faces every year from bushfires. We all want to reduce the risk of severe bushfires, whether by complying with warnings and regulations, by reporting firebugs or by reducing the effects of dangerous global warming. So we should pay attention to very important recent research that has shown that the logging of native forests increases the risk of bushfires. Analysis of the Black Saturday bushfires looked at the areas that were most severely impacted by 'crown fires'. The flames from crown fires often extend above the forest canopy and pose the greatest threat to life and property. The findings from these studies, from the University of Melbourne and ANU, showed that the fire was at its most severe in forests that were aged between seven and 36 years, with the fires becoming progressively less severe with the age of the forests. The studies concluded that any future logging in these forests should be negligible. We must take note of findings like these. We must stand up and act and commit to ending the logging of our native forests, which are too precious to lose.

Defence Procurement

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (13:15): I would like to make a few more comments on submarines and Australia's future submarine capability. I reiterate, up front, the three points I continually make. First, the submarine must be fit for purpose. It must have the range we need, it must have the combat systems that can integrate with our allies and it must have the Mark 48 ADCAP torpedo for all the reasons we currently maintain that capability in conjunction with the USN. I repeat the fact that, inconvenient as it may be for some pundits, at the moment there is nothing off-the-shelf that
meets those requirements. Secondly, we must have the sovereign ability to maintain the submarines here. That is not just changing the oil and tweaking up some loose nuts; it is talking about design assurance and, importantly, in a system like a submarine, which is a safety critical system, it includes the process of certifying it as being safe for service. Having come from an aerospace background—a large part of my work running Australia’s flight test organisation for many years involved certification of aircraft and proving them both fit for purpose and safe for operation—I understand that it is no small task to maintain that sovereign ability. If there is anything we have learned from both the Coles review of the poor availability of our submarines and the Rizzo review of the collapse of Navy’s amphibious capability, it is that we must maintain the sovereign capability to do that design assurance and to manage that whole-of-enterprise logistics and engineering and certification process for the capability. The third element is that the government has a duty to find the lowest risk way but the most economically sensible way to do that.

I would like to discuss why the most economically sensible and lowest risk option for achieving that second point of sovereign capability, the ability to maintain—which means also certification and design assurance—could well be to have a build program here in Australia. Since the treaty of Westphalia, the notion of sovereignty comes down to the ability of a sovereign government to make decisions that are in the best interests of its people. I have often used aerospace as an example. An aerospace superpower, if you like, in terms of their ability to design, to build, to repair, to modify and to certify everything they need, would be a country like the United States. There are a whole raft of other countries including China, Italy, India, Brazil, the UK and France who to a greater or lesser extent build, design and certify aircraft. Then there are the Third World nations who have none of that capacity or competence and essentially are takers of what someone else is prepared to give them or sell them, and they need a lot of support in order to maintain it. In terms of sovereignty, you have quite a spectrum there. Australia has no pretensions of being a superpower in terms of sovereignty of aerospace, but nor do we want to be—and nor, I would argue certainly from a national security perspective, can we afford to be—at the Third World end of that spectrum. That means that we need to have not only training but also opportunities for young graduates, whether they be tradesmen or whether they be engineers, to develop the competence to exercise those design assurance and fabrication-manufacturing skills and to develop the capacity that Australia needs.

Some people have used aerospace as an example to say that you never need to build here—look at the fact that we have bought things like the F35 or the Super Hornet or the C17 through foreign military sales, off-the-shelf from the US; we did not build them and yet we operate them here. They are overlooking not only a number of differences but also a number of false assumptions. I would like to address those as they apply to the issue of submarines. The first false assumption is that what we have now is an aerospace system that is sustainable into the future. My argument, based on a career in this area, is that at the moment our ability to do the design assurance and do the maintenance of the capability from a whole-of-enterprise perspective in aerospace is drawing on the legacy capability Australia has built up under both sides of politics over several decades. At the moment, because of decisions—again, by both sides of politics—to pursue, in order to reduce risk and reduce up-front purchase costs, foreign military sale after foreign military sale after foreign military sale, we are eroding that base. Particularly in an environment where our civil aerospace sector, because
of developments in design and reliability, is seeing a great decline in Australian engineering and support manufacturing here in country, our national sovereign ability to maintain aerospace assets is also declining. That ability is not sustainable into the future if we continue just to buy off-the-shelf through FMS or MOTS—military off-the-shelf—sales.

There are a number of examples where we have gone down that path where we have had to, in order first to be cost effective but more importantly to keep equipment online and available, bring back to Australia tasks it was originally conceived could all be done by the host country in terms of repair of parts of engines and avionics and other supplies, and in terms of the ability to do the design assurance around those assets. So, yes, with aerospace at the moment there are some things that are still working but it is drawing down a bank account that we have failed to invest in for a number of years. If we, off the low base that we see coming from Coles and the low base that we see coming from Rizzo, attempt to do the same thing with submarines, which are equally complex—some would argue more complex—than advanced aerospace, for example fighter jets, then we will be in a world of hurt in terms of being a sovereign nation and our ability to determine what we want to do with that capability into the future.

The other large difference is scale. For something like the Joint Strike Fighter or the C17, there are worldwide fleets of almost identical configuration—so you have a number of users, many of whom are happy to cooperate with spiral upgrade programs. There is a body of knowledge which is available, supplemented with what I have said is our residual ability, that we are managing. There are good arguments for that, but we do need to reinvest to keep that sovereign ability going.

One of the differences with submarines is that the fleets are very small. When I visited TKMS in 2012 and spoke to them about some of these issues, they argued cogently that, based on their experience with a range of customers, every fleet—if not indeed almost every individual boat—is different. There are differences in design, in configuration and in modification status. The authority that is operating that boat must have access to all of the design artefacts. They need to understand the certification of components, the status of welds in the boat and what each element represents in terms of a systems engineering approach. That is something, based on the experience we have had in the last decade of aerospace, that you cannot just send off to someone else. As sure as night follows day, the situation will arise where you need to make your own sovereign decisions about repairs, modification or certification due to the host country's politics, priorities or indeed, resources. As we have seen with our very best ally, the United States, when their priorities are different from ours, their resources go to their needs first, not to ours. We have seen that in the past.

In terms of value for money, one of the best ways to achieve the opportunity to grow the skills of our tradesmen and engineers is to actually do the work. One of the best ways to have a supply chain that is capable of supporting the boats is to do the work. Through the work of people like Professor Goran Roos, we see very well quantified examples of complex defence procurement. Having done the work onshore, the flow-back, the spillover, to the economy means that the net cost to the economy, the net cost to the nation—rather than being $20 billion or $25 billion that we have spent somewhere overseas—is probably in the order of around $3 billion to $4 billion because of the money that comes back into the economy. There are many good documented examples in Sweden, Germany, the UK and the US where that...
has been proven. Australia needs a submarine that is fit for purpose and it needs the sovereign ability to be able to maintain it. And, contrary to many critics, the most cost-effective way to do that is most likely to do it here.

**Aged Care**

*Senator POLLEY (Tasmania) (13:25):* I rise today to speak once again on the Abbott government's cruel decision to axe the dementia and severe behaviours supplement. As I have said in this chamber on numerous occasions already, Team Abbott's scrapping of a $16 per day supplement paid to aged-care providers caring for vulnerable people with severe symptoms of dementia was heartless and avoidable. What we have seen from the outset is a government that has handled this entire sorry affair without due regard to the aged-care sector. The lack of leadership demonstrated by the minister responsible—the Assistant Minister for Social Services, Senator Mitch Fifield—has been nothing short of astounding.

This government has abandoned the aged-care sector and vulnerable Australians with severe symptoms of dementia. In spite of assurances that he had consulted with the industry, Senator Fifield has kept providers in the dark, and they have remained shocked and horrified at this government's decision.

Once again, I remind Senator Fifield that this supplement supports approved aged-care providers—people who care for some of the most vulnerable people in our community. These providers are worried that the Abbott government is out of touch and is unconcerned about the future of aged care in this country. Many of these providers have acquired extra specialist staff, planned for new buildings and facilities and invested in other support resources based on the very existence of this vital supplement. Are they expected to just desert people with severe behavioural and psychological problems with dementia? Well, of course, that is not an option, but what it does mean is that some of them will struggle to survive and others may have to scale back on their level of care.

As our population ages we need to do more, not less, to address dementia and to support those affected by it. Dementia and aged care are not political toys, and the Abbott government needs to get on with the job of governing and addressing the challenges we face in caring for people with severe symptoms of dementia. The previous Labor government did the heavy lifting to make aged care sustainable and fairer, with wide community and sector support. In contrast, the Abbott government's legacy will be the dumping of this vital supplement, amongst other cruel cuts.

When it comes to the practical implementation of this supplement, the Abbott government would have known from late 2013 that more funding was needed. Every single person with an interest in this supplement knew that it needed to be addressed, but no action was taken. There was no action in MYEFO last November, and there was no action in this year's budget. It appears that Senator Fifield was not working with the Department of Social Services and aged-care stakeholders to address issues around the original design of, compliance with and validation of the supplement's assessment instrument. Instead, on 26 June Senator Fifield announced the supplement would cease as of 31 July 2014—without warning, just like that.

The shadow minister for ageing, the member for Blair, Shayne Neumann, and I have consistently sought more information from Senator Fifield, because we think the sector deserve better. They have looked to us for leadership because there is certainly none being offered by Senator Fifield and company. But, again and again, we have been given no firm
timeline, no details, no strategy, no plans. Senator Fifield responded to another Dorothy Dixer on this issue on 24 September by saying that a replacement scheme will be developed once he receives a report from a ministerial dementia forum in October. But, again, no real timeline was provided, meaning that providers are still operating in an atmosphere of uncertainty and fear. This sense of anxiety has of course been made all the worse by the Abbott government’s other callous cuts to the aged care sector.

This year’s budget the government scrapped the workforce supplement, which Labor introduced to improve the pay and conditions of aged care workers. This ensured that $1.1 billion went back into the ‘general pool of aged care funding’. The budget provided that the supplement would be ‘reprioritised’ by increasing aged care subsidies as well as a viability supplement. However, this ‘reprioritising’ was accompanied by the scrapping of the aged care payroll tax supplement in the budget—another move that happened without any warning. The now-scrapped payroll tax concession previously covered the payroll tax bills for most aged care providers by giving them a payment roughly equivalent to their liabilities. This decision promises to send many providers to the wall, particularly those in remote and regional areas.

The Treasurer also altered the indexation of the pension and equivalent payments. The government remained completely silent on the impacts this would have on aged care revenue, which is worked out at 85 per cent of the age pension. This means that the change to the rate of growth in pensions will cause a proportionately lower rate of revenue for aged care facilities with pensioners as residents. What does all of this mean? It means that a sector in need of investment in growth and development is mired in fear and hesitation. It means that as our population ages and more and more people develop dementia, we have a government seemingly unconcerned about the welfare of those with severe symptoms of the disease. It means that once again Labor will have to pick up the slack and actually provide some leadership on aged care.

Senator Fifield has refused to meet with stakeholders, he has refused to own up to his decisions and he has refused to communicate with the sector. He is hiding under the doona covers because he knows the mess he has created. That is why he has looked so flustered during question time in recent weeks when this matter has been raised. He has sought to save face by having a series of dorothy dixers handed his way by sympathetic senators. But even when handed these on a plate he has failed to actually outline when he will come to the rescue of providers caring for people with severe psychological and behavioural problems of dementia. I repeat: Minister Fifield has been asleep at the wheel. He has never sought to ease anxiety within the sector; he has treated providers and the people they care for with absolute disdain. This Saturday, it will be 100 days—you heard me correctly, 100 days—since Senator Fifield rose in this chamber on the last day of a sitting week and cowardly announced the axing of the dementia supplement—100 days! Aged care providers and their hardworking staff who tirelessly care every day for those suffering from severe dementia have experienced 100 days of uncertainty—100 days of neglect, 100 days of desertion, 100 days of disregard for their welfare, 100 days that demonstrate how little respect Senator Fifield has for this sector. This government needs a designated minister for ageing—something Shayne Neumann and I have said from the very beginning. The reason you need a minister with clear responsibility for ageing is that otherwise it gets lost in the wash, the relevant department is not monitored and the implementation of a vital supplement is bungled and all hell breaks
loose. If the Prime Minister is planning a reshuffle in the short to medium term, he could do a lot worse than cast his eye over the Senate chamber. Senator Fifield ripped away the supplement without warning. He did not act in any way and then he remained completely silent whilst aged care providers fumed. He has completely failed in his duties; he has been inactive, incompetent and indecisive.

I think things need to change and it is not just me and Shayne Neumann saying this. This is what the sector are saying. The sector have tried to engage with this government through the minister but all avenues have been closed off. How can you take away a supplement for the most vulnerable people in our community? How can you cut funding to aged care providers who, day to day, are caring for these most vulnerable people? This is a heartless government and the minister is without any vision. The minister is without any plan. He has demonstrated he has no interest in aged care. If it were not for the issues raised in this chamber by me and Shayne Neumann raising them in the other place, this government would be completely silent on aged care. We did the heavy lifting when we were in government. During the Howard government they put their head in the sand. They were not prepared to consult with the sector to bring about a new policy for aged care in this country.

Tobacco Smoking

**Senator LEYONHJELM** (New South Wales) (13:35): I would like to address my comments to the roughly 18 per cent of the Australian population who engage in a despised activity. Ladies and gentlemen, thank you for smoking. Australian smokers contribute significantly to the pile of money which, as I noted in this place recently, other people then spend. As you well know, there are many such big spenders in this parliament, as are many of the people who malign you. They do not like your habit, but in my view they have an even filthier habit: spending your money and other people's money on things that are often even sillier than spending too much money on cigarettes and booze.

Your generosity to the nation's Treasury is truly staggering. The government collects around $8 billion in tobacco excise each year. That is a lot of cash. Last year, smokers imposed $318.4 million in net costs on the Australian healthcare system. Depending on rainfall, smokers also cost the taxpayers about $150 million a year in bushfire control. If you do even basic arithmetic, these figures disclose that you wonderful, generous smokers pay 17 times as much as you cost. Of course, I am aware that the justification for making you pay so much for your smoking is born of a desire to help you quit and improve your health. However, every now and then the mask slips. Tony Abbott, in one of those unguarded moments while in opposition, made the following comment in relation to the then government's tax hikes:

> It would only be raising $5 billion or so if people are to continue to smoke, so let's not listen to the palaver about health. This is all about revenue. It is all about tax. It is all about a government that can't control its spending, that's why it hits you in the hip pocket.

Those who would tell us how to back this flagrant theft tell us not because they are prone to agree with Tony Abbott but because they are troubled by the worrying thought that someone somewhere may be having a good time. Those 'havers of good times', smokers of Australia, are you. This is why, having banished cigarette advertising from everything, from television to cinema to motorsport and even the internet, and ended the commercial cultivation of tobacco in Australia, the health mandarins have moved on to banning smoking in prisons and
insane asylums. That is right: people in cages, who have lost most or all of their rights, are
denied even this small thing. Yes, prison is meant to be punishment, but the widespread
tendency to see prisons as comfortable budget hotels bespeaks a fundamental failure to grasp
just what jail is for. Rehabilitation means not committing further crime; it does not mean
being trained to live according to somebody else's values. The same people worry about
Aboriginal and Torres Strait Islander smoking rates, with about half of Australia's Indigenous
population being daily smokers. Aborigines on income management, like prisoners, are also
denied this small consolation. Racial paternalism lives on.

Because revenues versus costs figures are so lopsided, those who would tell you how to
live have tried to add social costs to the healthcare costs that I discussed earlier. Social costs
take in things like smokers spending on tobacco and the lost productivity represented by the
early mortality of smokers. These, allegedly, represent income forgone. By that logic,
deciding to work part time to increase your leisure time is a social cost, as is going on holiday.
Arguments like that suggest to me that the antismoking lobby is running out of ideas. But
when powerful, well-funded lobby groups run out of ideas and arguments, unfortunately, they
do not fold up their lobbying tents and head home. They keep lobbying. We have now
reached the point where, thanks to their efforts, the government is about to kill the goose that
lays the golden egg by handing over all of that lovely tax money, that it extorts from you, to
organised crime. Australia is set to have the most expensive ciggies in the world, once
Abbott's extraordinary 12.5 per cent per year tobacco tax hikes, taken over from Labor, kick
in. Already, in 2012, the WHO found that a packet of cigarettes costs US$14.35 in Australia.
Only Norway had higher prices, at US$14.49. Following the unprecedented 25 per cent
tobacco excise increase in April 2010, Treasury's postimplementation review observed:

The availability of illicit tobacco products (products on which taxes have been avoided) undermines
the effectiveness of taxation in many countries in reducing affordability to prevent uptake and promote
quitting, particularly among low-income groups.

That should come as no surprise. Here is a little basic maths: if you spend $5,000 a year on
tobacco, it is a bigger proportion of your income if you earn $30,000 per annum than if you
earn $100,000 per annum. In the trade, that is known as a regressive tax. And if, along with
South Park's Mr Mackey, we can agree that 'drugs are bad, m'kay?', it is probably also fair to
say 'regressive taxes are bad, m'kay?' Calling regressive taxes sin taxes does not hide the scale
of the problem. Smokers are typically poor, which makes this vast tax-take all the more
perverse. It means, for example, that social planners who want to redistribute money from the
rich to the poor need to increase both welfare payments and income tax rates to achieve their
goals. When the 25 per cent excise increase was imposed, the Australian Customs and Border
Protection Service noticed an increase in seizures of illicit tobacco. In 2013, it rose to 183
tonnes, representing forgone customs duties of $150 million. Remember: that is the annual
cost of putting out bushfires caused by cigarettes. It is entirely to be expected that tobacco
cannot even be commercially grown in Australia.

Smokers of Australia: despite your generosity, I need to apologise on behalf of short-
sighted pickers-of-your- pockets in this place. Maybe they have not studied history, because if
they did they would learn that the regime controlling cigarettes is no longer one of legalise,
regulate and tax. Instead, it now resembles two other regimes, regimes that were and are
catastrophic failures. I am thinking here of prohibition and the war on drugs. In a world where
cannabis is in the process of legalisation, because illegality simply does not work, and where
prohibition enriched Al Capone but beggared the US government, I think people like me need
to do better by you, the smokers of Australia.

I am put in mind of a constituent's comment made to me last week. He pointed out that he
valued the e-cigarettes now available because it means that he does not smoke during the day.
It also means that he does not inflict his smoke or smell on others. However, he said that he
was still going to sit on his balcony of an evening, drink a glass of wine and smoke a
cigarette. He was going to continue to do this because he enjoys smoking. And that is his
choice.

**Australian Capital Territory Government**

**Senator SESELJA** (Australian Capital Territory) (13:44): Last night during the
adjournment debate I was reflecting on the outrageous decision by the Senate yesterday to
inquire into the Queensland government and on what may be done now we have a precedent
where the Senate sets up inquiries into other governments on the basis of some senators not
liking a particular government or not liking some of the policies or some of the decisions of
particular governments. I did make brief mention of this but I have reflected further on it
overnight and would like to offer some thoughts if we were to follow this precedent in future
either here in the Senate or indeed if the other place were to decide that this precedent of
inquiring into other governments was worth following.

I will offer some local thoughts on some aspects of governance by the ACT Labor-Greens
government that could be looked into should someone choose to go down this path. We know
there have been a lot of concerns in the Canberra community about the way our planning
system has been manipulated in various ways, particularly the policy around supermarkets.
We had a failed supermarkets policy and there are a lot of outstanding questions that people
may like to inquire into. The supermarket policy particularly centred around a part of
Canberra called Giralang and the Giralang shops. You would think that would be a fairly
minor issue. But we saw a much broader supermarket policy constructed by the Labor-Greens
government in the ACT, which was about picking winners.

The chief planner raised serious concerns about the political interference in the planning
system. As a result of raising those concerns, that chief planner, Neil Savery, was,
unfortunately, pushed out of his job. I think it was an issue that left a bad taste in the mouths
of many and left a lot of unanswered questions. Neil Savery warned of frequent political
interference. He said in a brief: I find this level of interference, which is occurring on an ever
more frequent basis although not always as obviously in this case, has the potential to make
the role of ACTPLA as a statutory authority for a range of tasks increasingly difficult and puts
the government at risk.

For his troubles, Mr Savery was eventually forced out of his job. I have a lot of time for Mr
Savery as do many others. I think there were a lot of outstanding questions about the debacle
of the supermarkets policy, which was in many cases about picking winners. It was about
picking preferred supermarket operators to get direct land grants without a proper competitive
process and without ensuring that best value for money was returned to ACT taxpayers. There
were serious issues around that flawed policy, around the circumstances in Giralang, and
around the circumstances that led to those decisions and non-decisions. Some of these issues
are still playing out in the courts. I would offer that is one issue that could be looked into.
In the ACT you would think, given we are a city state and given we do not have the issues of remoteness that most of our states have, that we would have a health system that was really performing at the top of our nation's health indicators. Unfortunately, that has not been the case under the Labor-Greens government. In fact, the opposite has been true. On many of the key indicators, we lag behind in our emergency departments and in elective surgery waiting times.

In fact, this issue came to a head in 2012 when it was revealed by the Auditor-General that there had been the deliberate falsification of health records in order to try and improve our health outcomes or improve our health statistics. We saw the large-scale falsification of data within the Department of Health, which was designed to make the government look better. It must be said that, notwithstanding the number of health records that were altered, we were still lagging behind. There was an extraordinary number, 11,700, emergency department records altered or fabricated in order to try and make the government look better. We saw a decline in our numbers so we attempted to fix it up with the falsification of data.

ACT health bureaucrats who altered the fill figures said in the report that they were told to ‘fix the numbers to get it done’. There is still a number of outstanding questions around this, which, of course, based on the precedent of yesterday, could be looked at if the Senate or the other place were to choose to follow that precedent and start inquiring into the operations of the territory government in the way that is chosen to look at the operations of the Queensland state government.

Our overall health statistics are still lagging behind. The AIHW report this year shows just 51 per cent of patients in public hospital emergency departments in the ACT were seen within the recommended time frame. That is the worst result of any jurisdiction and well below the national average of 73 per cent. The ACT recorded the nation's worst waiting time in the urgent category, category 3, at just 43 per cent, along with just 46 per cent in the semi-urgent category, category 4. Only 79 per cent of non-urgent category 5 were seen within the recommended two hours. So we see some serious issues there.

We see the ACT government's budget performance placing serious strain on the people of Canberra as they are asked to pay more and more, particularly through their rates. We saw in the recent ACT budget that the average rates bill will go up over 10 per cent as part of the government's plan to triple everyone's rates, as part of so-called tax reform. So there will be massive increases for households in Canberra, in many cases for households that may be asset rich in older areas but may well be cash poor. They are being asked to pay more and more. I think this is something that needs to be looked at and is certainly something that the ACT government has a lot of questions to answer on.

We are seeing the debt, as we see with so many Labor governments, blow-out and is projected to rise to more than 4½ billion dollars over the forward estimates. To put that in context, that is around the annual budget of the ACT government. You start to get into problems when you see the amount of debt you have equal to or more than your annual budget.

In the midst of all this, as Canberrans are being asked to pay more and more and more and are seeing their rates go through the roof, it appears to be all about building a 12-kilometre stretch of light rail line, which is the biggest infrastructure project in the territory's history and one that I believe the community simply does not want. It certainly does not stack up in any
way, shape or form—whether it is Infrastructure Australia looking at it. It is projected to cost
around $800 million but, knowing this government's record, it is potentially much, much more
for a stretch of light rail that will service only a tiny proportion of Canberra residents.

The business case simply does not stack up, yet Canberrans are being asked to foot the bill
with massive rates and other tax increases simply to keep one member of the government, the
Greens member, happy. That is how the policy is being made here in the nation's capital at a
local level.

We have one Greens member, who is now a minister, calling the shots and imposing this
$800 million project, which will be a white elephant, on the people of the ACT. Unfortunately, there does not seem much that Canberrans can do about it. They are expressing
their views on this proposed project. They do not want it. They are seeing the government
deferring other infrastructure projects in order to be able to fund this light-rail project and it is
something that they do not want and that does not stack up.

I will conclude by making the point again that there are a number of things that could be
looked at when we look at the performance of other governments. Given the precedent set
yesterday, I would simply offer up these suggestions to both the Senate and the other place.
(Time expired)

Prostate Cancer

Senator LUNDY (Australian Capital Territory) (13:54): Mr President, I rise today to
update the Senate on prostate cancer. In Australia there are about 18,500 incidences of
prostate cancer reported each year and about 3,400 Australians die from this disease each
year. In my home city of Canberra, between 570 and 770 new cases of prostate cancer are
diagnosed each year, and about 100 members of our community succumb to the disease
annually.

Prostate cancer is by far the most common cancer affecting men and indeed the most
prevalent cancer in Australia. As well as those directly diagnosed, prostate cancer can also
affect the lives of loved ones and others around them quite profoundly.

This year has been a very positive year for prostate cancer research. Research on genes that
cause prostate cancer have led to a number of discoveries about how it develops and may help
in the discovery of future treatment and cure options. Contracting prostate cancer is a tragedy
at any age but, if it comes early and remains undetected, the results can be dire. This year a
newly discovered gene called HOXB13 has been discovered that has been linked to early
onset prostate cancer that runs in families. Other genes have been found which can double or
triple the risk of prostate cancer.

Australia is at the cutting edge of prostate cancer research, and one such researcher is Dr
Shahneen Sandhu from the Peter MacCallum Cancer Centre in Melbourne. Dr Sandhu this
year received the John Mills Young Investigator Award from the Prostate Cancer Foundation
of Australia. She is working on an important clinical trial that will identify patients with
prostate cancers that harbour underlying defective genes and then exploit those defects to kill
tumour cells. The Prostate Cancer Foundation of Australia, or the PCFA, also provides
professional development grants to give nurses more opportunities to expand their skills and
knowledge of the disease.
The Prostate Cancer Foundation of Australia is a vital and important community organisation. It runs thriving support networks, including new groups established this year in Sydney, the Central Coast, Taree and Perth. These support groups are attended by medical and allied health professionals as well as volunteers from across the community.

Prostate cancer has a profound effect on everyone: loved ones, family, friends, work colleagues et cetera. The Prostate Cancer Foundation acknowledges that we are a culturally and linguistically diverse society and, for this reason, has resources available in five community languages: Italian, Greek, Vietnamese, Chinese and Arabic. I commend them for this.

The PCFA also hosted two gay and bisexual men’s health forums this year in Lismore and Canberra with support groups for gay and bisexual men being set up in Sydney, Melbourne, Brisbane, Adelaide, Darwin and Western Australia.

The Prostate Cancer Foundation of Australia organises and receives the support of some innovative fundraising events such as the Pirtek Fishing Challenge, which attracted 8,500 people and raised about $17,000 for the foundation’s research and charity works. They also organised challenges such as a world-record attempt for the largest stubby cooler collection, which raised about $7,000.

It was my privilege to participate, albeit all too briefly, along with my colleague Warren Snowdon MP, in the latest initiative to raise funds organised by the ADF under the inspired leadership of the Chief of the Defence Force. I would like to acknowledge the work of Gail and Chris Dunne, who are the founders of the Long Ride. It is a motorbike ride culminating this year at Uluru and, as they make their way around rural and regional Australia, they will be spreading the message of this year’s theme: increasing awareness of prostate cancer. The message is for men who are notoriously reticent—as we know, having participated in the Senate men’s health inquiry some years ago—to talk about their personal health matters and ask their GP to have the PSA test and get their prostate checked.

I would also like to commend Guy Blackburn and Paul Brealey for their coordinating efforts and acknowledge Dr Brendan Nelson, now the Director of the Australian War Memorial, a former Howard government minister, for formally launching the Long Ride last Friday. Australian Defence Force riders are moving around the country towards the centre of Australia, raising money and awareness along the way. I believe they will save lives in doing so.

I would like to commend all colleagues on both sides of the House for their contribution to and efforts for fundraising for the Prostate Cancer Foundation of Australia and for our mutual efforts to raise awareness about this chronic disease.

QUESTIONS WITHOUT NOTICE
Indigenous Affairs

Senator STERLE (Western Australia) (14:00): My question is to the Minister for Indigenous Affairs, Senator Scullion. I refer to the minister’s announcement in the Senate last week that he had reached an agreement with a number of state governments—including Western Australia—on the provision of municipal and essential services to remote Indigenous communities. The Western Australian minister, Bill Marmion, said that your decision was
'reprehensible'. He also said: 'This was not an agreement; it was an ultimatum. We had a gun pointed at our head.' Is Minister Marmion correct?

**Senator SCULLION** (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:00): No doubt Mr Marmion was reflecting on how he felt, and that is a matter for him. In terms of the general thrust of your question, regarding municipal and essential services, I suppose the real question is: why would you decide to have two completely different approaches—on the basis of ethnicity and background—to the provision of a basic service?

We on this side believe that municipal services should be provided—as they are everywhere else in Australia—to mainstream Australia by state and territory governments. We believe that should be consistent right across Australia. I have to congratulate Mr Marmion on the decision. Yes, I understand it was a difficult decision, but I congratulate him on taking responsibility for his first Australians in Western Australia.

**Senator STERLE** (Western Australia) (14:01): Mr President, I ask a supplementary question. Minister, I refer again to Mr Marmion, who said: 'A likely outcome of the government's decision to withdraw funding of municipal services is the closing of some remote Indigenous communities'. Could you inform the Senate which remote communities in Western Australia will be affected?

**Senator SCULLION** (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:02): Those are the words of Mr Marmion, so there is no point asking me. Mr Marmion said it is likely, but I can tell you right now that the Commonwealth, unlike the Western Australia government, has not had anything to say about closing communities in Western Australia.

I cannot understand why the provision of basic municipal services would lead to closures, given his agreement that in three years time they will take over the provision of municipal services themselves. There is no connection. I completely reject the suggestion that the changeover and the acceptance by Western Australia will somehow lead to the closure of communities in Western Australia. It is just illogical. I am not sure it is reasonable to draw that conclusion from what Mr Marmion has said. *(Time expired)*

**Senator STERLE** (Western Australia) (14:03): Mr President, I ask a further supplementary question. Try this one: I refer to comments by former Liberal Aboriginal Affairs minister and Senior Australian of the Year, Mr Fred Chaney who said: 'The decision by the Commonwealth to withdraw responsibility for funding about 180 remote Aboriginal communities will cause alarm in remote communities.' Is Mr Chaney correct?

**Senator SCULLION** (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:03): No. He is not correct. It should not cause alarm, given that we have provided, as Mr Marmion has stated, some $90 million funding for an additional three years into the future. The agreement is that in three years Western Australia will take responsibility for the delivery of municipal services in all of those communities. So they have absolutely nothing to worry about.

It does disturb me, though, that there seems to be a bit of a change from that side; when you were in government, you tried to do exactly the same thing. You went to Western Australia; you went to South Australia; you went to Queensland; you went to Tasmania; and
you went to Victoria. You wanted to ensure that the provision of municipal services was translated back to the jurisdiction that should have been doing it. But, like most things in Indigenous Affairs, you did not have the grunt and you failed.

**Employment**

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (14:05): My question is the Leader of the Government in the Senate, and Minister for Employment, Senator Abetz. Is the minister aware of an agreement secured by the Australian Greens and other parties to block the government's mandate to remove unnecessary green tape and thereby expedite job creation? What are the consequences of this deal?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:05): Regrettably, I am aware of an unseemly deal stitched up between the Greens and some other parties, including Labor, which manifests itself in the unprincipled and unprecedented motion to have the Senate inquire into the operations of the sovereign government of the state of Queensland. In the rush to cobble together the numbers for the inquiry, deals were struck which have now come to light, thanks to the boasting of Greens senator Larissa Waters in a media release which shows that they traded their support for this unprecedented inquiry in return for others blocking the government's mandate to remove duplicative green tape.

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

Senator Moore: Mr President, I am seeking your advice as to whether the minister's answer is reflecting on a vote of the Senate.

The PRESIDENT: Thank you, Senator Moore. I will listen carefully to the senator's answer.

Senator ABETZ: I was reflecting on a deal, not on a vote. The duplicative green tape which we want to remove has hindered job creation in this country for far too long. The unseemly deal not only offends centuries-old parliamentary precedents and conventions; it also attacks the job prospects of 70,000 unemployed Australians.

The coalition was elected on a clear mandate to fix the economy and create jobs. At the last election Labor promised not to do deals with the Greens ever again, yet immediately after the election Labor under Mr Shorten worked with the Greens nonstop to block every one of our job-creating initiatives—the repeal of the carbon tax, the repeal of the mining tax and bringing spending under control. And now there is the removal of green tape—a one-stop shop—which Ms Gillard and even Labor supported at one stage. If this deal remains in force, those parties supporting it will, according to BAeconomics, have 70,000 unemployed Australians hanging around their necks in 2025. (Time expired)

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (14:07): Mr President, I ask a supplementary question. My and the minister's home state of Tasmania suffers the highest unemployment rate in the country. This is the legacy of Labor-Green alliances in Hobart and in Canberra. Can the minister advise the Senate of the consequences of yesterday's Greens-ALP deal for the job prospects of unemployed Tasmanians?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:08): Senator Bushby is absolutely right to point to the high rate of unemployment in our home state of...
Tasmania—the highest in the country and the legacy of the double whammy of Greens-Labor governments in Canberra and Hobart. Our removal of duplicative green tape is designed to create jobs, especially in Tasmania. According to BAEconomics, 1,240 job opportunities for unemployed Tasmanians will be trashed and $2,800 million in gross state product will be lost forever if this deal holds. All Tasmanians should reflect on the long-term consequences for our fellow unemployed Tasmanians of this short-term, politically charged deal relating to the Queensland state election. Trading Tasmanian jobs for state election success in Queensland is neither honourable nor honest. *(Time expired)*

**Senator BUSHBY** (Tasmania—Chief Government Whip in the Senate) (14:10): Mr President, I ask a further supplementary question. Can the minister further advise the Senate of the likely consequences of yesterday’s deal for unemployed people across Australia?

**Senator ABETZ** (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:10): Senator Bushby is right to acknowledge that the collateral damage of yesterday’s Senate deal will not only hit unemployed Tasmanians. According to BAEconomics, in Western Australia, 11,000 jobs will be sacrificed and $25,600 million in cumulative gross state product gains will be sacrificed. In the state of Victoria, 15,300 jobs will be sacrificed—and I simply wonder what the Labor leader in Victoria thinks of the deal done by his federal colleagues in this chamber costing 15,300 Victorian jobs. Mr Shorten and his Labor senators, in lock-step with the Greens, have voted to deny 70,000 Australians the opportunity of a job. They chose the Labor Party’s welfare over the parliament’s welfare and the economy’s welfare. *(Time expired)*

**Department of the Prime Minister and Cabinet**

**Senator McLUCAS** (Queensland) (14:11): My question is to the Minister for Indigenous Affairs, Senator Scullion. I refer to the minister’s claim in the Senate last week that ‘staff morale at the Department of the Prime Minister and Cabinet is at an all-time high and staff are delighted to be working for the new government’. Was this before or after staff in the Indigenous affairs area of his department were forced to reapply for their own jobs through a spill and fill process?

**Senator SCULLION** (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:12): I can only speak for those in the Indigenous area, because that is my portfolio. I had breakfast with them this morning. There were no complaints this morning during my very warm breakfast with those people, who I think are doing an absolute cracker of a job. It is terrific to be able to have such a good working relationship with the department. In this very tough terrain as we move through these policy areas they continue to provide the most excellent advice in the most buoyant of circumstances.

**Senator McLUCAS** (Queensland) (14:13): Mr President, I ask a supplementary question. Can the minister confirm that 236 staff in the Indigenous affairs area of his department have been made redundant?

**Senator SCULLION** (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:13): No, I cannot confirm that exact number. I would have to take that on notice in the interest of ensuring that I provide an exact number to the Senate. I will take that number on notice.
Senator McLUCAS (Queensland) (14:13): Mr President, I ask a further supplementary question. Minister, who has got it right—the minister who cut half a billion from Indigenous affairs funding and says staff morale is sky-high or the departmental officer who told The Canberra Times that staff morale is in the doldrums?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:13): I am asked to make a choice about a source. Is my department all depressed and horrible, as they would have it, or is my department, as I assert, getting on with the job and buoyant because they know they are working for an organisation and a government that is changing the lives of our first Australians? If it is a choice between one unnamed source and the departmental people whom I met with over breakfast this morning, I will back my department every day.

Taxation

Senator MILNE (Tasmania—Leader of the Australian Greens) (14:15): My question is to the Minister Assisting the Treasurer, Senator Cormann. In light of a report by the independent Inspector-General of Taxation, which warned the Abbott government that the Australian Taxation Office was ill equipped to tackle a potential multibillion dollar international tax dodge as it prepared to cut 3,000 ATO staff, can the minister explain how the government expects to crack down on corporate tax cheats when it is sacking the very public servants who have the experience and capacity to do the work?

Senator CORMANN (Western Australia—Minister for Finance) (14:15): The first point I would make is that the tax office has well in excess of 20,000 staff. The second point I would make is that the staffing efficiencies in the tax office were actually initiated by the previous Labor-Green government. You come in here on your high horse and attack us for efficiencies in the tax office that were initiated by the government that you were a part of. The third point I would make is that we support those efficiencies because we happen to think that the tax office in 2014 can do its job better and in a more efficient way with less manpower because of all the opportunities that we have these days through modern technology and the like to manage compliance work in this space in a less manually intensive way. To think that in order to improve compliance you need more bodies sitting at desks completely ignores the way that compliance in the modern tax system is properly managed.

I want you to get away from the proposition that somehow the tax office is not doing a good job. The tax office is doing a very good job, but this is always a very dynamic area. Clearly, there is a creative tension. The tax office has the job of raising revenue consistent with the laws of the land, and people out there who are responsible for paying tax will try to find ways to legitimately minimise their tax obligations. As these sorts of developments happen it is our job to monitor developments in the market and to respond to them as appropriate and as they occur. I reject completely out of hand the suggestion that somehow the tax office is not doing a good job. We have an outstanding tax commissioner. Chris Jordan, who was appointed by the previous government, is doing an outstanding job.

Senator Gallacher: Mr President, I raise a point of order on standing order 186(1). I find it exceedingly difficult to hear when the good senator is addressing the end of the chamber.

The PRESIDENT: There is no point of order. The senator is not in breach of standing order 186.
Senator CORMANN: The policy objective is clear, we want all businesses and indeed all taxpayers to pay their fair share of tax— (Time expired)

Senator MILNE (Tasmania—Leader of the Australian Greens) (14:18): Mr President, I ask a supplementary question. The report also suggests that many of the tax office's most experienced staff have since moved to the four big accounting firms, where they now advise the nation's biggest companies on how to minimise their tax. Does the minister accept that the loss of these transfer-pricing experts has posed a serious threat to Commonwealth revenue and a built-in conflict of interest as the tax office outsources company tax audits to them?

Senator CORMANN (Western Australia—Minister for Finance) (14:18): No.

Senator MILNE (Tasmania—Leader of the Australian Greens) (14:18): I am glad that the minister has confirmed that there are no personnel or technology constraints and no conflicts of interest. Mr President, I ask a further supplementary question. At a time when money flowing between Australian companies and their foreign subsidiaries has topped $270 billion, will the government commit to introducing legislation to require Australian corporations to disclose all foreign subsidiaries in their financial statements?

Senator CORMANN (Western Australia—Minister for Finance) (14:19): We in Australia are at the global leading edge when it comes to tax administration, when it comes to making sure that we raise the revenue the government needs in the most efficient way possible. Let me just say that I find it very difficult to take Senator Milne's question seriously, because Senator Milne leads the party which tells us that it is now in favour of regular reductions in the tax on fuel. Senator Milne leads the party which is telling us that not only is it appropriate that the tax on fuel has fallen as a proportion of the average fuel price at the pump, from 42 per cent down to 25 per cent, she wants to see regular reductions every six months. She has backbenchers briefing the media saying, 'The coalition doesn't talk to us about how to get our support.' Senator Milne must have kept secret the fact that we had meetings where I put it to her that we could reach an understanding around good public policy to ensure there is regular indexation of the fuel excise, so do not come in here and talk about that. (Time expired)

Budget

Senator EDWARDS (South Australia) (14:20): My question is to the Minister for Finance, Senator Cormann. Can the minister explain to the Senate the government's progress in implementing the federal budget?

Senator CORMANN (Western Australia—Minister for Finance) (14:21): I thank Senator Edwards for that question. In September last year the government inherited a deteriorating budget position from a Treasurer, Mr Swan, and from a Minister of Finance, Senator Wong, who had presided over a $107 billion deterioration in the budget bottom line in the three short years that she was the minister. We inherited a situation where there was $123 billion in projected deficits, where government debt was heading for $667 billion within a decade and growing and where we now have to pay $1 billion a month just on interest to service Labor's debt. Every one of the 10 million taxpayers across Australia has to spend $100 every month just on the interest to service Labor's debt. Our plan to repair the budget is in the May budget that we delivered a few months ago. I am pleased to report that we are making good progress, despite the best efforts of the Labor Party and the Greens. But we have some budget measures in front of us here in the Senate—social services related budget measures—where the Labor
Party has said to us, 'We agree with those savings' and the Greens have said, 'We agree with this particular saving.' There are some savings Labor disagrees with; there are some savings the Greens disagree with. Instead of facilitating the efficient passage of all those things we agree with, Labor comes in and says, 'Oh, no, we have to continue to play procedural games. We're not in a hurry here to fix the budget mess we left behind. We're not in a hurry to get the things through where there is actual agreement. We want to force you to re-introduce all of those things, even though it will be exactly in the same form next time when we come around.'

We will be here a month later and we will have lost some more time. For what purpose? For no purpose whatsoever. So are going to be wasting more money for taxpayers; we are going to be slower in repairing the budget, because Labor—(Time expired)

Senator EDWARDS (South Australia) (14:23): Mr President, I ask a supplementary question. Will the minister explain to the Senate why it is so important to continue with the repair of the budget?

Senator CORMANN (Western Australia—Minister for Finance) (14:23): We owe it to our children and grandchildren to repair the budget as soon as possible, because right now the Labor Party and the Greens are forcing us to keep borrowing from our children and grandchildren in order to fund our lifestyle today. The longer we keep borrowing from our children and grandchildren, and the longer we add to the deficit and to the debt and increasing to debt interest payments, the more we force our children and grandchildren to accept either a lower living standard or higher taxes. The Labor Party wants us to continue to put more debt on the national credit card to get our children and grandchildren to pay it back. Labor had an opportunity today. We were prepared to facilitate efficient passage just on those savings measures that Labor tells us they agree with. Labor gives us a list of savings measures they say they agree with and that they will vote in favour of, but just not today. They were going to do it, but just not today, because they just want to keep the debt going and they want to keep the deficit going—(Time expired)

Senator EDWARDS (South Australia) (14:24): Mr President, I ask a further supplementary question. Can the minister advise the Senate of the drawbacks of any alternative policy approaches to the budget repair?

Senator CORMANN (Western Australia—Minister for Finance) (14:24): The Labor Party does not have a policy on how to repair the budget mess they left behind. The Labor Party just wants to continue to add to the deficit; they want to continue to add to the debt. They want to continue to put our hands into our children's pockets and our grandchildren's pockets so that they have to pay back the Labor-Green debt with interest. One day between now and the election, it will dawn on Mr Shorten that if he wants to have a credible policy in the lead up to the next election, he will have to explain whether he still believes that we should get back to surplus. If he does not like our plan, how will he get back into surplus? Does he want to push up taxes? Does he want to bring back the carbon tax and the mining tax and all his other Labor taxes? Where does he want to cut spending? Where is the Labor Party going to cut spending? Or are you just going to continue to increase the Labor black hole? Are we going to have another $107 billion deterioration in the budget bottom line under Senator Wong—(Time expired)
Minister for Defence: Staffing

Senator GALLACHER (South Australia) (14:25): My question is to the Minister for Defence, Senator Johnston. I refer to the resignation of retired Major General Jim Molan from his office after three weeks because the appointment was apparently 'not feasible'. Why was it not feasible?

Senator JOHNSTON (Western Australia—Minister for Defence) (14:25): Mr President, can I say that we do not discuss the private matters of people employed in ministerial offices. Can I say that I hold former Major General Jim Molan in the highest of respect. There were some contractual terms which had been informally agreed but which later became something that was not agreed. Accordingly, the future contractual relationship did not eventuate.

Senator GALLACHER (South Australia) (14:26): Mr President, I ask a supplementary question. When asked why he resigned, Major General Molan said he had no problem with the Department of Defence, the Secretary of Defence or the Chief of the Defence Force. Is it reasonable to conclude the minister was the problem?

Senator JOHNSTON (Western Australia—Minister for Defence) (14:27): You would have to ask the former general, Mr Molan, as to what is in his mind, because in all of these matters I did not speak to him about his contractual relationship.

Senator GALLACHER (South Australia) (14:27): Mr President, I ask a further supplementary question. What does it say about the minister that a man whom he has described as 'one of the most respected former officers in the Australian army' could not work with him for more than three weeks?

Opposition senators interjecting—

The PRESIDENT: Order on my left!

Senator JOHNSTON (Western Australia—Minister for Defence) (14:28): I do not think it says anything at all.

Defence Procurement

Senator McGrath (Queensland) (14:28): My question is to the Minister for Defence, Senator Johnston. I refer the minister to the official rollout of Australia's first two F35A Joint Strike aircraft at Lockheed Martin's Fort Worth facility on 24 July 2014. Can the minister update the Senate on developments since then?

Senator JOHNSTON (Western Australia—Minister for Defence) (14:29): I thank the senator for his interest in what is a very important national security matter. I am very pleased to be able to update the Senate on the progress of Australia's acquisition of the Joint Strike Fighter aircraft. On Monday evening Australian time, our first Joint Strike Fighter, known as AU1, made its inaugural flight in Fort Worth, Texas. This is a significant milestone in the Joint Strike Fighter program for Australia, and an important step towards acceptance of this aircraft into service.

Australia's first aircraft, AU1 and AU2, will now undergo further flight testing in the lead-up to acceptance and their ferrying to Luke Air Force Base in 2015. The Joint Strike Fighter engine has successfully completed nearly 32,000 hours of testing, and availability has remained steady at about 98 per cent. The fifth-generation Joint Strike Fighter is the most advanced fighter in production anywhere in the world, and will replace our fleet of classic
Hornets, which by 2020 will be over 35 years old. The first F-35 aircraft will enter service in Australia in 2018, with the first operational squadron established by 2020.

The Abbott government's decision earlier this year to acquire a further tranche of 58 Joint Strike Fighters demonstrates a strong commitment by this government to build a strong Defence Force. As a fifth-generation aircraft, the Joint Strike Fighter will ensure that in air-combat-capability terms, Australia will remain regionally dominant. It will make a vital contribution to our national security, and ensure interoperability with our allies, as Australia continues to maintain a reasonable air-combat edge.

Senator McGrath (Queensland) (14:30): Mr President, I ask a supplementary question. Can the minister outlined to the Senate how Australian industry has benefited from Australia's entry into the initial development stage of the Joint Strike Fighter program in 2002 under the Howard government?

Senator Johnston (Western Australia—Minister for Defence) (14:31): When Australia, under the Howard government, signed on in 2002 as a full partner nation in the Joint Strike Fighter program, it did so with great foresight. Australian industry has had the opportunity to support a major aircraft production line, as well as gaining access to aerospace market opportunities beyond the Joint Strike Fighter. Australia's participation in the Joint Strike Fighter program has resulted in an Australian part in almost every aircraft produced. The Australian defence industry has already been awarded over $355 million worth of work. Defence estimates that Australian industry will win at least $1.5 billion worth of work during the Joint Strike Fighter production phase, over the life of the program. Many companies have had noteworthy success already in winning work from the program: Ferra Engineering and Ball Solutions Group in Queensland; Vipac Engineers and Scientists Ltd in Adelaide; Rosebank Engineering Australia, Marand Precision Engineering, and Levett Engineering in Melbourne; Quickstep in New South Wales; ST Kinetics here in Canberra; and Calytrix Technologies in Perth; to name but a few.

Senator McGrath (Queensland) (14:32): Mr President, I ask a further supplementary question. Can the minister advise the Senate how this record compares to Labor's support of the Australian defence industry over the last six years?

Senator Johnston (Western Australia—Minister for Defence) (14:32): As I have said on a number of occasions, Mr President, the former Labor government cut the Defence budget so drastically that 119 projects were delayed, 43 projects were reduced and eight were cancelled altogether. Australian defence industry has shed more than 10 per cent of its workforce, as the work simply dried up because of these budget cuts and deferrals. The Defence Capability Plan that I inherited was never affordable. Industry was promised an updated defence capability plan two years ago but it never eventuated. Unlike the Abbott government, Labor did not even bother to publish a policy on defence leading up to the last election. Labor's legacy of mismanagement means Defence now faces a deficit of $12 billion on current plans over the next decade, with an additional $18 billion required to achieve Labor's hyped Force 2030 from the Defence white paper of 2009. The legacy we are dealing with—(Time expired)
Housing Affordability

Senator DAY (South Australia) (14:33): My question is to the Minister for Finance, Senator Cormann. I refer to my question last Wednesday about price gouging by state government land management authorities. I remind the minister that the forerunner to these authorities, the South Australian Land Commission, had in its governing legislation that land agencies were to be not-for-profit entities, and were to provide land to assist those in the community who were least able to afford to buy their own homes. The Financial Review today reports that the government is to abandon billions of dollars of budget measures because they are currently blocked in the parliament, leaving few options for budget repair—one of those being states and territories missing out on grants funding. If the government is exploring cuts to state grants, would it consider cutting funding to those states which are creating the most damage to the economy and to housing affordability by their price-gouging practices?

Senator CORMANN (Western Australia—Minister for Finance) (14:34): I thank Senator Day for that question. Let me just say right up-front, so that there is no misapprehension: the story in The Australian Financial Review today that, somehow, the government is retreating from various budget measures is wrong. The government remains committed to all of its budget measures and, indeed, many of our budget measures have already passed the parliament. We will continue to work with the Senate in relation to the important structural reforms required, for example, to ensure that our welfare system is put on a sustainable foundation for the future, and also that our budget is on a sustainable foundation for the future.

Having said that, we of course do recognise that housing affordability is an important policy issue. We also recognise that Senator Day has a particularly strong interest in this, and that he lives in a state with a particularly bad state Labor government which—like Labor governments are always known to do—goes for cash grabs wherever they can, including through the particular body that he has mentioned, in his question and before. Our focus here is this: our focus is on building a stronger, more prosperous economy, where stronger growth can, of course, create opportunities for people to get ahead and to get access to the housing market—but we are also mindful of the need for state and territory governments to do their bit as part of that cause.

It is difficult to see how housing construction can be part of closing the gap completely, because housing construction is already in the middle of an upswing, with dwelling investment forecast to grow by 7½ per cent in 2014-15. All states and territories have agreed to implement the recommendations of the Housing Supply And Affordability Reform report, which aimed to make development and other regulatory processes more efficient. We certainly call on the South Australian state government to do their bit in implementing those recommendations.

Senator DAY (South Australia) (14:36): Mr President, I ask a supplementary question. Given the economy-wrecking distortions wrought by the land development sector, in cahoots with state and territory land management authorities, to the tune of $600 million gouged by these agencies in the last reporting year, will the government: (a) ask the ACCC to investigate state land management agency price gouging, or (b) if the ACCC will not act, amend their legislation to require them to do so?
Senator CORMANN (Western Australia—Minister for Finance) (14:37): The ACCC is an independent statutory authority responsible for enforcing the Competition and Consumer Act 2010. The Competition and Consumer Act prohibits anticompetitive practices, including misuse of market power, price fixing and other collusive conduct. If there is evidence of anticompetitive practices, the ACCC is able to investigate and take action through the courts where appropriate. There are a number of avenues for people to raise concerns with the ACCC; however, ministers are specifically precluded from giving the ACCC a direction regarding the performance of its functions or the exercise of its powers.

As a government, we commissioned the Harper review, which, in its draft report, canvasses a wide range of issues, including planning and zoning issues. The draft report states:

Regulations relating to planning and zoning often restrict competition and impede structural change. Such restrictions can be addressed by including competition principles among the objectives of the various state and territory laws dealing with planning and zoning to ensure that competition issues are always considered.

Draft recommendation 10 is particularly relevant. (Time expired)

Senator DAY (South Australia) (14:38): I ask a further supplementary question. A landmark 2006 High Court decision firmly established that section 51 of the Constitution, the corporations power, could be used to address virtually any issue involving a corporation. In 2009, former Prime Minister Kevin Rudd addressed the Business Council of Australia vowing a federal takeover of planning powers. Would there be scope to use the corporations power to address price gouging by rapacious state government land management agencies?

Senator CORMANN (Western Australia—Minister for Finance) (14:38): Former—

Senator Wong interjecting—

Senator CORMANN: Senator Wong just cannot stop interjecting. I think that the Leader of the Opposition in the Senate is highly disorderly. On a point of order, the clock is already running and it should not be running.

Honourable senators interjecting—

The PRESIDENT: Order! We will reset the clock for Senator Cormann. I ask all senators to cease interjecting.

Senator CORMANN: I would say to Senator Day that former Prime Minister Rudd promised the world and delivered nothing. He promised to take over the world, he promised to take over hospitals and he promised to take over zoning laws. He is still working on taking over the world. Apparently he is somewhere in New York trying to take over the world, and I am sure that Senator Conroy is his numbers man on the United Nations Security Council in order to get him elected as the Secretary-General of the United Nations. Just because former Prime Minister Rudd promised something, you should not follow his lead, is what I would say to Senator Day.

What I would say on the more general point is that this government is actually not about centralising more power in Canberra. This government wants to make the federation work better, which is why the Prime Minister has initiated the federation white paper review process, through which we will seek to make genuine improvements in the way our federation operates. I would like to think that we will be able to find a way to better address the issues that Senator Day cares about. (Time expired)
DISTINGUISHED VISITORS

The PRESIDENT (14:40): Order! I draw to the attention of honourable senators the presence in the chamber of the Speaker of the House of Commons of the United Kingdom, the Rt Hon. John Bercow MP. On behalf of all senators, I extend to you a warm welcome to Australia and, in particular, to the Senate. With the concurrence of honourable senators, I would ask the Speaker to take a seat on the floor of the Senate.

Honourable senators: Hear, hear!

The Rt Hon. John Bercow was then seated accordingly.

QUESTIONS WITHOUT NOTICE

Defence Procurement

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (14:41): My question is to the Minister for Defence. I refer the minister to his refusal to rule out buying Japanese submarines for Australia's Future Submarine project. Is the minister aware of evidence given to a Senate committee last night by retired Rear Admiral Peter Briggs, the former head of the submarine capability team, who compared the Japanese Soryu submarine to the Collins, saying, 'It's slower and it doesn't go as far, and that's perfectly reasonable for the Japanese situation, but it would be untenable for Australia's situation'? Minister, is Rear Admiral Briggs correct?

Senator JOHNSTON (Western Australia—Minister for Defence) (14:42): I thank the senator for the question. We welcome the inquiry that is being run by the Foreign Affairs, Defence and Trade References Committee into the future of Australian shipbuilding and the robust discussions—

Senator Kim Carr: Wrong one.

Senator JOHNSTON: The economics committee, rather, and what occurred around the discussions relating to the future submarine program. I confirm that no decision has been taken by the government regarding this important capability. I point out that the former Labor government promised in 2007 that first-pass approval for 12 submarines would happen in 2011. Guess what? Nothing happened. In 2012, Prime Minister Gillard promised first pass in 2013-14. Guess what? Nothing happened. Labor promised in May of 2012 that a decision would be made on design and test facilities, including—

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

Senator Moore: Mr President, I rise on a point of order on direct relevance. The question was specifically about comments made by Rear Admiral Briggs. 'Is Rear Admiral Briggs correct?' was the only question.

The PRESIDENT: No, Senator Moore, there were two questions. The first question was 'Is the minister aware?' and the second part was, 'Is Rear Admiral Briggs correct?' The minister is halfway through his answer and the minister is aware of the question. Minister, you have the call.

Senator JOHNSTON: Labor promised they would do a whole lot of things: land-based test sites, new systems, combat systems and torpedo sensors. They did nothing. Last night we had Vice Admiral Tim Barrett, Chief of Navy; Vice Admiral Peter Jones, head of capability group; Rear Admiral Greg Sammut, our most senior submariner; Warren King—
Senator Moore: I rise on a point of order. Again, it concerns direct relevance. The minister has said that he is aware of the committee, but the specific question leading out of that was about evidence given by Rear Admiral Peter Briggs. We have not even got to him yet.

Senator Conroy: He is the only person he has not mentioned—

The PRESIDENT: Order, Senator Conroy. I remind the minister of the question. He has 34 seconds left in which to answer the question.

Senator JOHNSTON: These officers of the department are senior, trusted, experienced members of the military who have insights into the current state of the submarine project. They have a combined total of 150 years of deep military knowledge, in the naval capability sense, and have current knowledge of the submarine program.

Senator Moore: I rise on a point of order. Again, it concerns direct relevance. The minister has had his attention drawn to the question. There are now only six seconds remaining and we still have not got onto the core question about Rear Admiral Peter Briggs.

The PRESIDENT: Minister, I do remind you of the question. You have six seconds left to answer your question.

Senator JOHNSTON: These naval officers have given testimony in contradiction—

Time expired

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (14:45): Mr President, I ask a supplementary question. I refer the minister to comments today by his Senate colleague David Fawcett, who told this chamber: Australia needs a submarine that is fit for purpose, and it needs the sovereign ability to be able to maintain it. And, contrary to many critics, the most cost-effective way to do that is most likely to do it here.

Is Senator Fawcett correct?

Senator JOHNSTON (Western Australia—Minister for Defence) (14:46): Having told you who I look to for advice—that is, naval officers with 150 years of combined knowledge and experience—can I tell you that they will continue to be my trusted advisers looking at what is Australia's most complex defence capability acquisition program—

Senator Moore: I rise on a point of order. Again, it concerns direct relevance. This time we have moved away from the committee and we are now on a particular question about comments made by Senator Fawcett. I would like you to draw the minister's attention to that question.

The PRESIDENT: The minister is highlighting his answer. I remind the minister that he has 32 seconds left to answer the question.

Senator JOHNSTON: As I said yesterday, because of the complete lack of capacity by the Labor Party to actually do anything to do with submarines—

Senator Wong: I rise on a point of order. The point concerns direct relevance. This minister has flouted the standing orders over and over again. It is time for you to return him to the question. He was specifically asked one question: is Senator Fawcett correct? I ask you, Mr President, to return him to the question. He ought to be directly relevant to that question.
Senator Ian Macdonald: I would like to comment on the point of order. Clearly the Labor Party have run out of questions, so I am going to help them by giving a long, irrelevant speech on this point of order.

The President: Senator Macdonald, that is no point of order. Minister, you have 20 seconds left in which to answer the questions. I remind you of the specific nature of the question.

Senator Johnston: There are very many opinions that are available to the Australian government from people who have a great deal of experience in this space. The most important consideration will always be the best capability for the Navy, and we will listen to those officers. (Time expired)

Senator Conroy: There is no contract, no commitment and no obligation. From the Labor Party there is a 'round number before 1' on submarines. It is as simple as that. (Time expired)

Workplace Relations

Senator McKenzie: My question is to the Minister for Employment, Senator Abetz. Can the minister inform the Senate how the government's workplace relations legislation reform package will create jobs and provide better protections for honest trade union members? In particular, how will the government's reforms ensure that big projects can get off the ground quickly and provide workers with appropriate protections?

Senator Abetz: I thank Senator McKenzie for the question. The government's workplace reforms include common-sense amendments to greenfields projects, the projects that have not yet started and where there are no employees as yet. Sadly, we have seen huge projects with the potential to create thousands of job opportunities for Australian stalled by the tactics of some union bosses. For example, the Kipper Tuna Turrum oil rig project in the Bass Strait, which would have provided jobs for Tasmanians and Victorians; the BHP project in Queensland; and POAGS in Western Australia have all been stalled by union boss tactics. The government's reforms introduce common-sense, good-faith bargaining requirements to greenfield negotiations. This will mean that brand new, often multibillion-dollar projects—that will employ thousands of workers—can get off the ground while still ensuring that workers are better off overall, as determined by the Fair Work Commission. In relation to right of entry, our reforms will
deliver on what Labor actually promised. Can I remind those opposite what Ms Gillard promised:

We will make sure that current right of entry provisions—

As of 2007—

stay. We understand that entering on the premises of an employer needs to happen in an orderly way. We will keep the right of entry provisions.

Who could forget what she then said?

I'm happy to do whatever you would like. If you'd like me to pledge to resign, to sign a contract in blood, take a polygraph, bet my house on it, give you my mother as a hostage, whatever you like.

We know that Labor broke their promise and, as a result, we seek to implement a Labor's own policy.

Senator McKenzie (Victoria) (14:53): Mr President, I ask a supplementary question. I refer the minister to further revelations in today's Fairfax media reports that money from the AWU's Industry 2020 slush fund was used to pay for international hotels, restaurants, alcohol, electronics, silverware and other luxury items. Can the minister inform the Senate of the government's reaction to these and other media reports about the misuse of slush funds?

Senator Abetz (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:54): Senators may be aware, like Senator McKenzie, of reports in today's Fairfax media that former union secretary and current Labor MP Cesar Melhem spent $40,000 out of the AWU's slush fund to bankroll a long list of luxury purchases, including restaurants and hotels in Singapore, Britain, Lebanon, France and Denmark; alcohol; silverware; and other luxury purposes. Ordinary and honest AWU members could only dream of such a lifestyle of luxury. It was a lifestyle indulged in by the very person they are elected to represent their interests and steward their dues. The Victorian Labor leader and Mr Shorten need to deal with these allocations now. I might add that they are allegations that are not in the royal commission, but in the media today. (Time expired)

Senator McKenzie (Victoria) (14:55): Mr President, I ask a further supplementary question. Will the minister advise the Senate how the government's workplace reforms will strengthening governance standards for registered organisations and ensure that officials abide by appropriate standards for accountability?

Senator Abetz (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:55): We have, as part of our package, a bill on the Registered Organisations Commission. What that is designed to do is to ensure integrity and robustness in reporting for registered organisations.

Senator Cameron: Rubbish! It is about attacking the trade union movement. Nothing more and nothing less.

Senator Abetz: It is interesting that Senator Cameron should seek to defend the rort when he knows that former ACTU president Martin Ferguson and former AWU secretary Paul Howes both support the government's reforms in this area, because they want to defend on honest trade union members. That is unlike Senator Cameron, who is doing the bidding of the Cesar Melhems and the Michael Jacksons of this world.
An opposition senator: Michael Jackson?

Opposition senators interjecting—

The PRESIDENT: Order on my left. Senators on my left, one of your own is wanting to ask a question.

Higher Education

Senator MOORE (Queensland) (14:57): My question is to the Minister Assisting the Prime Minister for Women, Senator Cash. I refer to NATSEM modelling of university fees and HECS debts, if the University of Western Australia's fees become the benchmark. NATSEM found that the female teacher could take more than 26 years to pay off her HECS debt and end up paying more than $140,000. Won't the prospect of such debts deter talented young women from becoming teachers?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:57): I thank Senator Moore for her question. I have to ask, in relation to the NATSEM modelling, was that the modelling that the Labor Party paid for itself or is this different modelling? Because if it was modelling that the Labor Party themselves paid for, I may have to say—a little bit like every time Senator Wong promised us a surplus and failed to deliver—that I may not necessarily agree with that modelling. The answer to your question is no.

In relation to this government's changes to higher education, let me assure you of one thing: what we are doing is more than your side ever did for people in this country who actually want to undertake a university education and, in particular, for women in this country. What we are doing is going to ensure that more women are able to access higher education than currently can. In terms of what we are doing, we are doing more—

Senator Moore: Mr President, my point of order is on direct relevance to my question, which was about the time proposed to take to pay off student debt should the University of Western Australia increase their benchmark for studies. The question is there. I would just like to have—

Government senators interjecting—

The PRESIDENT: Order!

Senator Moore: The minister has not responded to my question.

The PRESIDENT: I did hear the minister say quite clearly that the answer to your question was no, partway through her answer. The minister has the right to continue her answer.

Senator CASH: I said this to Senator Moore the other day when I responded to a question: the mere fact that you do not like my answer does not mean that it is wrong. My answer to your question is that I do not agree with it. In relation to the debt, the changes that we are bringing in are going to be beneficial not only to women in this country but to all Australians who want to undertake higher education. This is because no student under our government will have to pay one dollar upfront. They will only commence repaying their debt when they earn in excess of $50,000. This is all about ensuring that we have equity in our system.
Senator MOORE (Queensland) (15:00): Mr President, I ask a supplementary question. I assure the minister that I do not make personal judgements about her answers. I also refer again to modelling that has been available on increased debt. Why is the Minister Assisting the Prime Minister for Women supporting higher fees and higher interest rates that could see a female nurse take more than 24 years to pay off a debt of almost $100,000? Also, has the minister spoken with the female students about these issues?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (15:01): Senator Moore referred to increased debt. Well, Senator Moore, would you like to know about increased debt? Because that is actually what your party—

Senator Moore: Mr President, I rise on a point of order. I refer again to direct relevance. The minister was not moving towards my question, and I do not care to hear about another 'increased debt' issue.

The PRESIDENT: Senator Cash, I remind you of the two questions that were asked by Senator Moore.

Senator CASH: Again, it is on increased debt. Senator Moore referred to increased debt in her question, and I am directly responding to the increased debt part. That is a former government that was responsible for increased debt. This is a government that is taking steps to address the fact that, as Senator Cormann has pointed out in his answers today—

Senator Wong: Mr President, I rise on a point of order. The question was about student debt. While I understand the minister wants to make some political points, it is a very important question about the effect of higher fees and higher interest on women, given that women earn less over their lifetime than men. I would have thought the Minister Assisting the Prime Minister for Women would want to answer that question.

The PRESIDENT: The minister was asked two distinct things. Firstly, there was reference made to modelling, and the minister was asked why she was supporting increased debt in that context. Secondly, she was asked whether she has spoken to people concerning this matter. The minister has been answering the question, but I refer the minister—

Senator Wong interjecting—

The PRESIDENT: The minister has been answering the question—

Senator Wong interjecting—

The PRESIDENT: Order! In relation—

Government senators interjecting—

The PRESIDENT: Order on my right! You are not assisting. She is answering the question in relation to increased debt, which was a part of the question—

Senator Wong: Student debt, Mr President!

Senator Ian Macdonald: Mr President, I rise on a point of order. Is it appropriate for the Leader of the Opposition in the Senate to directly shout at you when you are making a ruling?

Opposition senators interjecting—

The PRESIDENT: Order on my left!
Senator Ian Macdonald: Mr President, there are some standards in this chamber, but you would not notice it from listening to this lot today—and I apologise to our esteemed guest.

The PRESIDENT: Order! Senator Cameron, maybe I should ask Speaker Bercow to deal with you! Senator Macdonald, thank you for your point of order.

Senator Ian Macdonald: Mr President, could the honourable Speaker take Senator Cameron back with him?

The PRESIDENT: There is no point of order!

Senator Ian Macdonald: Only I do not dislike the United Kingdom that much! Mr President, can I continue with my serious point of order? You would think the leader of the opposition would set a standard or an example; but she is actually arguing with you. I would suggest that you remove her from the chamber.

The PRESIDENT: Thank you, Senator Macdonald, for your point of order, but I did not regard the leader of the opposition as shouting at me. I am about to rule on the point of order, which is that the minister has been relevant. She has 26 seconds to answer the question, and I do remind her of the two points to the question.

Senator CASH: I will say, though, that in their submission to the Senate inquiry on higher education reform the Australian Nursing and Midwifery Federation said that a nursing degree under a deregulated system would range from $24,000 to $34,000. Whilst this may or may not be right, what it certainly does is dispel the lies and the misinformation that have been spread by the other side that a degree would cost $100,000. (Time expired)

Senator MOORE (Queensland) (15:06): Mr President, I ask a further supplementary question. I refer to the Minister for Education's statement that women will not be charged higher fees because 'they will not be able to earn the high incomes that dentists and lawyers will earn'. Doesn't NATSEM's research show that the women who undertake teaching and nursing degrees will be among the hardest hit, precisely because they do not earn high wages?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (15:06): I again go to the fact: is this the research that was paid for by the Labor Party? Because, if it was, I might say that they may have paid for research to support the questions that they have put to us in this place. We on this side are all about fiscal responsibility. The policies that we are bringing in will ensure that more women are able to undertake higher education degrees, which, in turn, means that more women will be able to go into those occupations which earn higher incomes. That is what we on this side of the chamber will deliver, unlike you on your side of the chamber.

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

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Asylum Seekers

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (15:07): I can offer the following additional information in response to questions from Senator Hanson-Young during question time yesterday. Senator Hanson-Young's letter was received by Minister Morrison's
office last Friday, 26 September. It raised very brief and very general allegations with no specific information, no names of either victims or offenders, no details of alleged offences, and no dates, times or details that could assist in any investigation. As such the letter was referred to the Department of Immigration and Border Protection for a response.

The minister was made aware of the content of the senator's allegations through the media over the weekend. When serious allegations are made, they are taken seriously and appropriately investigated. The assessment of the credibility of any claims will be looked at by the department. The Department of Immigration and Border Protection is looking into the allegations. If Senator Hanson-Young has any specific details further to the claims she has made, I would strongly suggest that she provide these to the department rather than call another press conference.

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Indigenous Affairs

Department of the Prime Minister and Cabinet

Senator McLUCAS (Queensland) (15:08): I move:

That the Senate take note of the answers given by the Minister for Indigenous Affairs (Senator Scullion) to questions without notice asked by Senators Sterle and McLucas today relating to the provision of services for Indigenous Australians and to staffing matters at the Department of the Prime Minister and Cabinet.

Labor senators are compelled to maintain a focus on Senator Scullion's answers in question time for two reasons: what he says—which is unbelievable in many circumstances—and the way he says it. Last week, when he was asked about staff morale in the Indigenous affairs section of the Department of the Prime Minister and Cabinet, he said that morale was at an all-time high and that people were delighted to be working for the new government. This beggars belief when many people know that the morale in the Indigenous affairs section of the Department of the Prime Minister and Cabinet is, as was quoted in the *The Canberra Times*, at an all-time low.

Senator Edwards: Name them!

Senator McLUCAS: Me. I know, Senator, because I have constituents talking to me. Many people on this side know that the morale in the Indigenous affairs section of the Department of the Prime Minister and Cabinet is, as was quoted in the *The Canberra Times*, at an all-time low.

Senator Edwards: Oh, *The Canberra Times*!

Senator McLUCAS: You do not have to read *The Canberra Times*, just listen to your constituents, who might tell you what is really happening on the ground.

We are talking about a dedicated group of public servants who used to work in FaHCSIA and who were, with the machinery-of-government changes, moved across to the Department of the Prime Minister and Cabinet. They are good people, good public servants who have worked very hard to improve outcomes for Aboriginal and Torres Strait Islander people in this nation. They are dedicated to that mission and are feeling totally devalued by the internal machinations that have been going on.

I asked the minister how many people had taken redundancies. It has been quoted as 236. I asked the minister how many there had been. It will be in that folder, Senator Scullion, that you bring into question time. That is the folder that has the answers to questions that might
turn up. If you open that folder and read the index, you might find the answer. I look forward to the moment when you come back into this place and tell us whether it is 236 people who have taken redundancies. That tells you something, though. It is said that 236 people have taken redundancies from this government. Whenever redundancies are offered, yes, there will certainly be people who want to take them. But the stories that I am hearing in Queensland, the Northern Territory and Western Australia are that people are so frustrated with what is occurring that they are giving up, moving on and finding some other way to work with Aboriginal and Torres Strait Islander people to achieve better outcomes for them.

I asked the minister whether morale was still at an all-time high, and he confirmed that he thought the morale in the department was fantastic. But in *The Canberra Times* article of 12 September, the circumstances described do not match up with the minister's statement about 'all-time-high morale'. The article actually quotes his own department. It said:

The department admits that things are "difficult" but says it is working "towards building a cohesive department" after forced mergers saw it try to absorb an extra 1800 public servants.

The minister says: 'Everything is hunky-dory. Morale is at an all-time high.' Yet, even the department, when questioned by the media, are confirming that things are difficult. The departmental sources say that work is going on against a background of upheaval and disruption after several restructures and 236 redundancies, with senior executives and middle managers distracted by having to apply for their own jobs. The PM&C spokesperson said:

Change of this magnitude is always difficult, and we are continuing to work towards building a cohesive department … The effect of the efficiency dividend and the streamlined programme structure has seen a reduction of staff.

It is inconceivable that the minister could come into this place and flippantly say that everything is going fine and terrific when we know, not just from reading *The Canberra Times* but from the constituents and departmental staff in our communities, that things are not good. These are staff who want to work for the government of the day. They are good public servants. They are used to change—but not like this. They are saying that we need to sheet this devaluing of their circumstances to the minister. *(Time expired)*

**Senator IAN MACDONALD** (Queensland) (15:14): This is typical of the ALP, who are more interested in public servants in Canberra than they are about Indigenous Australians who live in the north of our country. The Labor Party and the other nanny-staters of the Left of Australian politics never understand that Indigenous people want to be treated like every other Australian, not with special treatment or the sort of rubbish you have just heard from Senator McLucas, worrying about public servants. They want a good education for their kids. They want a job. They want to be able to own their own house. After years and even decades of the nanny-staters and those who I think, quite frankly, are racist themselves, they do not want to be treated differently. They want to be like every other Australian. But, as long as you have Labor around, they will be treated as second-class citizens who need someone else to hold their hands. What they need—and this is something Labor has never understood—is a job. You cannot get a job when you knock back every single application that would provide work in places like Cape York, the Gulf, the Kimberley or the Northern Territory. What people need is a job, but Labor will not agree with that.
I must congratulate Senator Scullion for the magnificent job he has been doing in this area. He is doing what I think Indigenous people want, and that is converting 150 programs and services from eight government departments into just five focuses or five streams. One of them, importantly, is 'jobs, land and economy', and that is what I have just been talking about. The Labor Party never understands this. We need to have jobs and allow the economy to operate in areas where Indigenous people live, and that is principally in northern Australia. I certainly hope that the government’s northern Australia white paper will focus heavily on economic opportunities for those who live in northern Australia, and they are, to a significant degree, Indigenous people.

Senator Scullion also has a focus on children and schooling. Again, that is something that I know Indigenous people want. They want their children to be well educated so they have a chance in this world. Safety and wellbeing is another focus. Given their own resources, Indigenous people can look after those issues far better than public servants sitting in their ivory towers in Canberra.

We also need remote strategies. I am pleased to say that our government has a plan for northern Australia, which is where most Indigenous people are. I say this with my fingers almost crossed because we have not seen the white paper yet. I for one will be following it very closely when it is released. It is a bit late already. It was supposed to be out within 12 months of the election, but it is better late than never. I look forward to seeing that white paper, and I certainly hope that it will have a focus on economic opportunities that will create the economy in northern Australia that will give Indigenous people employment, self-respect, eventually their own homes and an ability to encourage their children to go to school in order to get gainful employment in the areas where they currently live.

I give full credit to Senator Scullion. He has taken on this role and is working with Indigenous people on what we know Indigenous people want. Principally, I repeat, that is to be treated like every other Australian, not to be dealt with as different people or people incapable of looking after themselves, as seems to be the Labor way. We do not want teams of public servants in Canberra trying to tell Indigenous people up in northern Australia how they should run their lives. Senator McLucas’s concern for sacked public servants in Canberra over the interests of Indigenous people in the North just amazes me.

**Senator STERLE** (Western Australia) (15:19): What an extraordinary contribution that was from Senator Macdonald! I had the full intention of rising to talk about Indigenous people and remote Australia, particularly my area of work in the Kimberley. There may be some smart-arse comments—

**The DEPUTY PRESIDENT**: Order!

**Senator STERLE**: Sorry, I retract that. I got distracted by the peanut from South Australia.

**The DEPUTY PRESIDENT**: Order!

**Senator STERLE**: I withdraw that. I take that back. What a stupid contribution that was from Senator Macdonald. He talked about giving Aboriginal kids and Aboriginal families the opportunity for an education. Well, Senator Macdonald—through you, Mr Deputy President—I am going to help you out. One of my passions is Aboriginal kids getting access to education. It is not only my passion but also the passion of Mr Andrew Forrest. We saw the
Forrest report. The first point that came out of the Forrest report was that the No. 1 issue was to give Aboriginal kids in remote Australia in particular access to early childhood education. No-one in this chamber or anyone with half a brain—I will be careful how I put that—would argue that Aboriginal kids should not get access to early childhood education.

In the previous governments—the Rudd and Gillard governments—we spent some $300-odd million of taxpayers' funds building childhood and family centres. There are four in Western Australia. One is in Roebourne. For your benefit, Senator Abetz—through you, Mr Deputy President—you should go and visit them. You might learn something. There is one in Fitzroy Crossing, called Baya Gawiy. There is the Little Nuggets centre in Halls Creek and one in Kununurra. We funded them. The previous Labor government funded them to the tune of $950,000. Unlike where some of the mob opposite might come from—the leafy suburbs of Melbourne, Sydney, Adelaide and Perth—they do not have the ability to raise their own funds. They have been and are still doing a fantastic job to give Aboriginal kiddies and—shock, horror!—white kids the opportunity to get ready for preschool or kindergarten.

The mob on the other side, through Mr Abbott, who calls himself the Prime Minister for Indigenous affairs, have decided to take the axe to that vital funding. They have chucked that funding out. There is no more funding, yet I have to sit here and listen to Senator Macdonald talk about the opportunity for Aboriginal kids to get an education. How the heck can they when the government are cutting their funding?

You do not have to take it from me. You can take it from someone who is probably one of the most respected Aboriginal leaders in this country. I actually call her a friend—Mrs June Oscar, a senior Bunuba woman from Fitzroy Crossing. I want to quote some words from Mrs Oscar. She says that:

… the Fitzroy community faced a crisis, as many child-protection workers, police, teachers and medical staff had children who used the centre.

That is the Baya Gawiy Child and Family Centre in Fitzroy Crossing, which this mob refused to fund. She goes on to say:

They could be forced to stop work or leave the region … We cannot continue in this state of quandary—it impacts on our kids, the retention of staff, jobs and service delivery …

That is from one of the most respected Aboriginal women in the country.

I cannot believe that senators opposite can have the audacity to stand here and push forward their credentials when their credentials are cutting vital funding streams to projects in the Kimberley region—and in South Australia, if Senator Gallacher is there—through the APY Lands and in Queensland and the Northern Territory, where all of a sudden we will just stop funding this opportunity for kids and for families, Aboriginal and white, to get access not only to early childhood programs but to the very vital area of allied health. And this is going to come as a bigger shock, but Fitzroy Crossing, some 300 kilometres from Derby and 450 kilometres from Broome, does not have resident speech therapists. The therapists for that mob over that side actually visit from Broome, or, at the Little Nuggets centre in Halls Creek, they come down from Kununurra. These centres actually provide the opportunity for kids to have access to allied health while they are there too.

It appals me when I have to listen to senators on that side all of a sudden become the experts in Aboriginal Australia. Now, I take nothing away from Senator Macdonald; he is...
based out in the country. But the rest of them have no idea. I just think Senator Macdonald was, sadly, just trying to defend the indefensible. He was trying to defend a government decision that deep down in his heart he could not sit here and look me in the eye and say he agrees with. I wish I had more time.

**Senator EDWARDS** (South Australia) (15:24): I too rise to take note of answers given by Minister Scullion. But before I move on to that, I want to say that the previous contribution was somewhat disappointing. I would have expected somewhat more. I quite like Senator Sterle. We work very collegiately in another forum, on a committee. But just invoking the class warfare again, distinguishing people by where they live, is exactly the problem that has gone on in this country for too long. If you live in a leafy suburb you are to be prejudiced; if you live in the bush—well, I tell you. I am done listening to the opposition invoking that.

And we had that with their leader—the old class warfare. What can you expect? We had the issue of their leader, Mr Bill Shorten, on the back of a truck down in Adelaide invoking racism and protectionism against one of our biggest trading partners. Fortunately you, Senator Gallacher, were down in Tasmania to get away from the fiasco. But I just find it somewhat disingenuous to talk about what we are doing when Minister Scullion, on his own account—and he can account for himself—can walk seamlessly through any Aboriginal community in this country. He is well known and well respected. I am not here to defend him; his record will stand alone. But it is my understanding that we are looking to deliver services in the lands in which they are most needed, and that is not in the bureaucracy in Canberra.

Senator McLucas is another person I would have thought would have understood the fact that we want to deliver outcomes in outback Australia, like the initiative of 73 schools in 69 of the most disadvantaged communities across Australia. That is what is driving real gains in Aboriginal communities around Australia. And on the school attendance rate, we are spending $18 million over two years to get children back at school. It is the key to equipping Indigenous youth to face all the challenges of the future. We have to intercept these children from birth—actually, from conception. That is what we have to do. You talk about the Forrest review. I applaud the work that was done in the west with the Forrest review, and I think Senator Sterle in his contribution could have been more effusive in outlining what it is that we could achieve with bipartisan support instead of taking cheap political shots on something that is very, very serious.

My own experience is with the Ngaanyatjarra people, to the east of Western Australia—an area the size of Tasmania, Senator Bushby. Those people want to go to work. Those people are engaged with the minister. Those people there are a proud people, people who understand what it is to have a job and to offer a future for their young people, to build communities around commercial outcomes. They want to farm camels, because in the last government, under the Caring for Our Country program, we spent $16.6 million trying to wipe out the camel population, and I guess it was tantamount to trying to take a drop out of a bucket. The camels are still coming. But the Aboriginal people of Central Australia see the commercial benefit of farming these animals, sending them to Peterborough in South Australia, providing an enormous amount of employment and selling camel meat, camel milk and camel skins around the world. The Moroccan Army has an infinite order in for as many camels as we can supply them. We cannot supply them. The Aboriginal people of the Ngaanyatjarra are right
The people of the APY Lands understand the commercial imperative, and they want to get onboard.

These are the things we have to do to empower, and that is what Minister Scullion is about. He understands that he was left with a basket case of a budget after the Rudd-Gillard-Rudd period, and he has gone about systematically, methodically getting his portfolio back into shape so that the Aboriginal people of this country have something to look forward to.

Senator LINES (Western Australia) (15:29): I have had a look back at the series of questions the Minister for Indigenous Affairs has been asked about cuts to the Aboriginal budget—cuts to organisations including the very serious issue in the north-west of Western Australia with the children and family centres. They have been cut right across the country. I think Senator Scullion is the minister for platitudes. That is all we have had from him. Today he started off by telling us that there was no point asking him. Well he is the minister and he is responsible. That was one answer to a question, and he went on to answer other questions by telling us that his staff were buoyant. He said that a number of times. Then we asked him about the serious concerns of the Senior Australian of the Year, Fred Chaney—one of their own; they like to throw up Martin Ferguson and Paul Howes and others to us. Fred Chaney is a respected senior Australian, a person with expertise in the Aboriginal community, but the minister completely disregarded and dismissed the very valid concerns he had about what is happening with Aboriginal funding. The minister assured us that we had absolutely nothing to worry about. When senior respected Australians very experienced in Aboriginal affairs say there is something to worry about, which is what Fred Chaney has said, I will put my money on Fred Chaney—there is obviously something to worry about.

Last week when we pursued questions to the minister for platitudes about the closure of children and family centres particularly in Western Australia but right across the country, his answer was 'so be it.' They are just shutting those centres down. We heard from government senators today trying to convince us that they are concerned about the wellbeing and the advancement of Aboriginal people in this country. If they are genuinely concerned it is time they held their own government to account. Of course we have to improve the educational levels of Australia's children, particularly vulnerable children—and a number of Aboriginal children unfortunately fall into that category—but you do not improve children's education by cutting children and family services. I met face to face with the Western Australian state government bureaucrats, and they told me that they were so concerned about the closure of the centres that they put $1 million of Western Australian money into those Western Australian centres to keep them open until December. That impost of $1 million on the Western Australian budget simply cannot be contained, but they are very serious and very concerned about the ongoing viability of the services.

I just do not know how in anyone's imagination you could possibly justify not continuing to fund these children and family centres. Because it is Halls Creek and Fitzroy Crossing and all of the other remote and rural places these centres are in, it seems that out of sight is out of mind. I am sick to death of the minister for platitudes coming in here and telling us that there have been no cuts to the Aboriginal budget. Our Prime Minister declares himself as some kind of Aboriginal advocate, but we have been left wanting and waiting. In the budget Mr Hockey did not once mention Aboriginal people, and there are no innovative new programs. All we keep hearing about here is getting children to school. Improving education is much more than
getting kids to school—it starts with children from birth. The government completely disregards that, and it is going to allow these children and family centres to close in December. That disgrace will be on their watch and Aboriginal families will not forget it.

Question agreed to.

Taxation

Senator MILNE (Tasmania—Leader of the Australian Greens) (15:34): I move:

That the Senate take note of the answer given by the Minister for Finance (Senator Cormann) to a question without notice asked by Senator Milne today relating to taxation policy and the Australian Taxation Office.

I want to go into the issue of Who pays for our common wealth? That is a title of a new report by the Tax Justice Network and United Voice. It found that, of Australia’s largest 200 companies, 29 per cent had an effective tax rate of 10 per cent or less and 14 per cent had an effective tax rate of zero per cent. And so we have revealed the true identity of the Treasurer’s, Mr Hockey’s, leaners. Remember all the talk about leaners and lifters? The inference from the government has been that the leaners are the poor, the unemployed, the people with disabilities and young people—they should all pay more because clearly they are the leaners. Yet, we find that the real leaners in Australian society are the multinational corporations who operate here and Australian companies operating here that are avoiding tax by taking their affairs offshore through subsidiaries and hiding in tax havens. They are the leaners and they are the ones that the government should be going after in order to improve Australia’s revenue stream, not trying to go even harder on people who have so little.

That is clearly what has come out of the report. That is why I have been asking Senator Cormann these questions, and it is disgraceful that he is refusing to answer them. First of all, 3,000 people have been sacked from the Australian Taxation Office, and these are the very people who should be working to get this money back from the tax avoiders—particularly those who have been involved in transfer pricing. Since they have been sacked or given a redundancy, they have gone across to some of the big accounting firms that employ them to help the big companies minimise or avoid their tax. We now have this ridiculous situation, and the minister refused to answer a question about this yesterday, where the tax office is outsourcing the tax audits of corporations to the big accounting firms that are also employed to minimise the tax of the very same corporations. If that is not a conflict of interest that has been set up by government, I do not know what is.

We have a ridiculous situation where the biggest tax avoiders in Australia start of course with Murdoch’s 21st Century Fox, which is paying one per cent tax. But the top corporate tax avoiders are Singapore Telecommunications, BHP Billiton, Rio Tinto, National Australia Bank, Commonwealth Bank, Westfield, QBE, ANZ and GPT Group. These are the people who lecture the community about why they should not have to pay a carbon price and why they should not have to pay the appropriate tax in Australia while supporting the government to go after co-payments for going to the doctor, while telling the unemployed they have to live for six months on nothing and while telling single parents that they cannot be supported. It is utterly disgraceful. The minister is not going to get away with it and neither is the Treasurer. He is going to the G20 and saying that, whilst 36 other countries have been early adopters of information sharing to get around and avoid and deal with the tax havens, Australia has asked for a delay of another year so that business can adjust to the fact that the
world is finally getting serious about sharing information so as to deal with these tax havens and tax evaders.

Today I asked the minister whether he would require Australian corporations to disclose all foreign subsidiaries in their financial statements, and he did not answer the question. I also asked him about the conflict of interest with the tax office’s experienced staff having gone to these accounting firms and whether he thought that posed a risk to Commonwealth revenue, and he said 'no'. Today he also said that there were enough staff and there was enough technology to do the job properly. If that is the case, why is it not happening? Why aren't the tax avoiders being taken to court? Why aren't they being faced with court and with jail? They always get out of it by settling with a lack of transparency. No-one ever knows what the deal was with the tax office whereby they got away without paying their full share of tax. We need a new and vigorous effort by the tax office to take them to court, and if we need better legislation to do it, then we stand here ready to get behind it.

Finally, I want to say that the leaners in Australia are the wealthiest corporations, and the lifters are the rest of the community, who are trying to manage without it.

Question agreed to.

NOTICES

Presentation

Senator Milne to move:

That the Senate—

(a) notes:

(i) the recent release of the *Who Pays for our Common Wealth?* report by Tax Justice Network and United Voice, and

(ii) that the report found that of Australia’s largest 200 companies, 29 per cent have an effective tax rate of 10 per cent or less, and 14 per cent have an effective tax rate of 0 per cent; and

(b) urges the Government:

(i) to act on corporate tax evasion in Australia immediately, rather than unnecessarily waiting for the G20 in November 2014, and

(ii) introduce legislation that requires Australian corporations to disclose all foreign subsidiaries in their financial statements.

Senator Milne to move:

That the following matter be referred to the Economics References Committee for inquiry and report by the first sitting day of 2015:

Tax avoidance and aggressive minimisation by corporations registered in Australia and multinational corporations operating in Australia, with specific reference to:

(a) the adequacy of Australia’s current laws;

(b) any need for greater transparency to deter tax avoidance and provide assurance that all companies are complying fully with Australia’s tax laws;

(c) the opportunities to collaborate internationally to address the problem;

(d) the performance and capability of the Australian Taxation Office (ATO) to investigate and launch litigation, in the wake of drastic budget cuts to staffing numbers;
(e) the role and performance of the Australian Securities and Investments Commission in working with corporations and supporting the ATO to protect public revenue;
(f) any relevant recommendations or issues arising from the Government’s White Paper process on the ‘Reform of Australia’s Tax System’; and
(g) any other related matters.

Senator Di Natale to move:
That the Senate—
(a) expresses concern over the audit of the National Medical Intern Data Management Working Group’s findings that approximately 240 Australian medical graduates will not be offered a state or territory internship position;
(b) notes that completing a medical internship is an essential process for a graduate to work as a doctor in Australia;
(c) recognises that:
(i) medical internship opportunities are necessary to keep doctors in Australia and to address shortages across rural and regional Australia, and
(ii) insufficient medical internship placements will impact on Australia’s ability to attract international students to Australian universities; and
(d) calls on the Government to expand funding to the Commonwealth Medical Initiative to guarantee an internship for all Australian medical students.

Senator Rhiannon to move:
That the Senate—
(a) notes that:
(i) children from New South Wales Aboriginal communities are being removed from their families at an unprecedented rate with more than 6 000 Aboriginal children, representing about one in 10 Aboriginal children, in out-of-home care in New South Wales,
(ii) Grandmothers Against Removal, based in Gunnedah, was formed to highlight the process of removal used by the New South Wales Department of Community Services,
(iii) Aboriginal children were forcibly removed from their home on 15 January 2014 in Moree by Community Services workers and police from the Operations Support Group, who handcuffed the children’s parents,
(iv) these Aboriginal children have been subsequently returned to their family home, and
(v) the New South Wales Government has failed to release film footage taken by the Operations Support Group inside the home of the children forcibly removed in Moree; and
(b) recognises that we all must do all in our power to stop the development of a new Stolen Generation.

Senator Cameron to move:
That the Senate—
(a) notes that:
(i) Australian Hearing Services has provided affordable hearing care services since 1947 and continues to provide services to over 450 000 children, young adults, Indigenous Australians, ex-service personnel and the elderly each year,
(ii) Australian Hearing Services provides affordable hearing care services at 468 hearing services centres and visiting sites throughout Australia, including regional and remote areas,
(iii) in the past 5 years Australian Hearing Services has paid the Government dividends totalling $22.8 million,

(iv) the National Commission of Audit recommended that Australian Hearing be privatised, and

(v) the 2014-15 Federal Budget provides an appropriation for funding a scoping study on the privatisation of Australian Hearing, of which $437,500 has already been spent on consultancies;

(b) acknowledges that:

(i) government funding and support for the Australian Government Hearing Services Program and the role in its delivery carried out by Australian Hearing are necessary for the provision of affordable hearing care services to Australians who might not otherwise be able to afford hearing care, and

(ii) privatisation of Australian Hearing would place the effectiveness of the Australian Government Hearing Services Program in jeopardy; and

(c) calls on the Government to:

(i) reject the National Commission of Audit recommendation to privatisate Australian Hearing,

(ii) provide adequate funding to ensure that the Australian Government Hearing Services Program continues at current capacity or greater,

(iii) ensure the research functions carried out by the National Acoustical Laboratories continue at current capacity or greater,

(iv) provide guarantees that the high standard of service delivery under the Australian Government Hearing Services Program is maintained and enhanced, and

(v) provide certainty to Australians living in regional and remote areas that their access to high quality, affordable hearing care services will not be diminished.

Senator Whish-Wilson to move:

That the Senate—

(a) notes:

(i) that the Government has included Investor State Dispute Settlement (ISDS) clauses in the Korea-Australia Free Trade Agreement,

(ii) the concern about including ISDS clauses in trade agreements expressed by a number of legal experts, including Chief Justice French,

(iii) reports that ISDS clauses are being negotiated by parties to the Trans Pacific Partnership Agreement, and

(iv) that United States multinational companies are the highest users of ISDS litigation; and

(b) acknowledges that agreeing to ISDS clauses in the Trans Pacific Partnership Agreement will subject Australia to increased risk of litigation.

Senator Di Natale to move:

That the Senate—

(a) expresses concern at the proposed sale of the $29 billion Medicare payment system, which will put thousands of jobs at risk and compromise service;

(b) notes that the sale will open the door for further privatisations within the Department of Human Services and other federal government agencies, including the Australian Taxation Office; and

(c) calls on the Australian Government to protect Australian jobs and reject the privatisation of Medicare’s key administrative functions.
Senator Ludwig to move:
That there be laid on the table by the Minister for Finance and Acting Assistant Treasurer (Senator Cormann), no later than 1 pm on Monday, 27 October 2014, the advice obtained from the Australian Government Solicitor, as referred to on p. 7 of the Regulations and Ordinances Committee’s Delegated legislation monitor no. 12 of 2014, dated 24 September 2014, where the committee reported that the Minister for Finance and Acting Assistant Treasurer advised the committee that ‘The Australian Government Solicitor has advised that the Regulation has been made in accordance with the specific regulation-making powers in the Corporations Act…’.

Senator Wright to move:
That the Senate—
(a) acknowledges the importance of manufacturing jobs created by Tindo Solar in South Australia;
(b) recognises:
(i) any changes to the Renewable Energy Target (RET) will put Tindo Solar under significant financial pressure and may jeopardise the company’s $6 million manufacturing facility,
(ii) the current RET has been effective for South Australia, delivering lower energy costs, encouraging billions of dollars of investment and creating thousands of jobs in the state, and
(iii) these jobs are at risk if the RET is lowered or abolished; and
(c) calls on the Federal Government to give the South Australian renewable energy industry the confidence and certainty it needs by recommitting to the full RET.

Senator Siewert to move:
That the Senate—
(a) notes that:
(i) demolition work has begun to dismantle the remote community of Oombulgurri in Western Australia,
(ii) this demolition is being conducted without consultation or permission of residents and traditional owners, and
(iii) forcing people from communities and closing essential services does not address existing social issues or the underlying causes of disadvantage affecting communities; and
(b) calls for:
(i) the suspension of the demolition of Oombulgurri and for discussions to begin with residents and traditional owners, and
(ii) increased investment in services and support for remote communities.

Senator Siewert to move:

Senator Dastyari to move:
That the following matter be referred to the Economics References Committee for inquiry and report by the first sitting day of March 2015:
Digital currency, with particular reference to:
(a) how to develop an effective regulatory system for digital currency that:
(i) ascertains the most appropriate definition of digital currencies under Australian tax law,
(ii) promotes competition and growth of the digital currency industry,
(iii) ensures ongoing stability in the financial services industry,
(iv) secures protection of consumers and businesses against illegal activity,
(v) incorporates digital currencies into Australia’s national security framework, and
(vi) ensures the financial stability of the industry;
(b) the potential impact of digital currency technology on the Australian economy, including the:
   (i) payments sector,
   (ii) retail sector, and
   (iii) banking sector;
(c) how Australia can take advantage of digital currency technology to establish itself as a market leader in this field; and
(d) any other related matters.

Senator Ludlam to move:
That the Senate—
(a) notes:
   (i) the Attorney-General has stated that the Government would introduce legislation to support a mandatory data retention policy before the end of the 2014 calendar year,
   (ii) the Government has not yet provided a full definition of metadata that would be covered under the policy, and
   (iii) media reports suggest that the Attorney-General’s department has provided an updated discussion paper on the data retention issue to industry; and
(b) orders that there be laid on the table by the Attorney-General, no later than noon on Monday, 20 October 2014, the latest discussion paper on data retention which has been distributed by the Attorney-General’s department to industry.

Withdrawal

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (15:40): At the request of Senator Williams, pursuant to notice given on 30 September 2014, I withdraw business of the Senate notice of motion No. 2, Farm Household Support Secretary's Rule 2014 for today.

Presentation

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (15:40): I give notice that, on the next day of sitting, I shall move:
That the provisions of paragraphs (5) to (8) of standing order 111 not apply to the following bills, allowing them to be considered during this period of sittings:
Australian Transaction Reports and Analysis Centre Supervisory Cost Recovery Levy Amendment Bill 2014
I table a statement of reasons justifying the need for these bills to be considered during these sittings and seek leave to have the statement incorporated in Hansard.
Leave granted.
The statement read as follows—

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

AUSTRALIAN TRANSACTION REPORTS AND ANALYSIS CENTRE SUPERVISORY COST RECOVERY LEVY AMENDMENT BILL

AUSTRALIAN TRANSACTION REPORTS AND ANALYSIS CENTRE SUPERVISORY COST RECOVERY LEVY (COLLECTION) AMENDMENT BILL

Purpose of the Bill

The bills cease AUSTRAC’s current cost recovery regime and introduce a new single charge to industry to cover 70 per cent of AUSTRAC’s budget expenditure in 2014-15, 90 per cent in 2015-16 and 2016-17, and 100 per cent from 2017-18 onwards.

Reasons for Urgency

The single charge was a measure in the 2014-15 Budget to replace the current cost recovery arrangements. As the new single charge will be introduced, no legislative instrument will be issued to raise cost recovery liabilities for 2014-15. If the bills do not pass in the Spring sittings, there will be no mechanism for AUSTRAC to levy and collect from industry. This will result in a Budget shortfall equal to 70 per cent of AUSTRAC’s operating costs ($42.845 million).

Passage of the bills is the first step in the levy process, empowering the Minister to issue a legislative instrument setting out the arrangements for the charge. Passage in the Spring sittings is necessary to allow the Minister’s legislative instrument to be developed and issued with sufficient time for the charge to be collected in the 2014-15 financial year. Under the Budget measure, the revenue is required to be collected in 2014-15.

Question agreed to.

Postponement

The following item of business was postponed:

General business notice of motion no. 434 to 2 December 2014.

BUSINESS

Rearrangement


Leave granted.

Senator FIFIELD: I move the motion as amended:

That—

(a) so much of the standing orders be suspended as would prevent the succeeding provisions of this resolution having effect;

(b) on Wednesday, 1 October 2014, the business of the Senate notice of motion proposing the disallowance of the Corporations Amendment (Streamlining Future of Financial Advice) Regulation 2014, standing in the name of Senator Dastyari, for that day be called on no later than 5.15 pm; and

(c) if consideration of the motion listed in paragraph (b) is not concluded at 6.30 pm, the questions on the unresolved motion shall then be put.

Question agreed to.
Consideration of Legislation

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (15:42): I move:
That the provisions of paragraphs (5) to (8) of standing order 111 not apply to the following bills, allowing them to be considered during this period of sittings:
Customs Amendment (Korea-Australia Free Trade Agreement Implementation) Bill 2014
Customs Tariff Amendment (Korea-Australia Free Trade Agreement Implementation) Bill 2014.
Question agreed to.

MOTIONS

Borderline Personality Disorder Awareness Week

Senator WRIGHT (South Australia) (15:43): I, and also on behalf of Senator McLucas, move:
That the Senate—
(a) notes that:
   (i) at any one point in time, between 1 and 4 per cent of the general population experiences Borderline Personality Disorder (BPD),
   (ii) the disorder can be characterised by overwhelming emotions, relationship problems, impulsive and risk-taking behaviour and a fragile sense of self,
   (iii) a history of trauma, abuse or deprivation is common among those with the disorder,
   (iv) despite its prevalence, enormous public health costs and devastating toll on individuals and families, recovery from BPD is possible,
   (v) BPD is a leading cause of suicide, with an estimated 10 per cent of individuals with this diagnosis taking their own lives, and
   (vi) an increased understanding of BPD is required among health professionals and the general public by promoting education, research, funding, early detection, and effective treatments; and
(b) acknowledges that the Australian BPD Foundation, through ongoing advocacy from Ms Janne McMahon OAM, Dr Martha Kent and Associate Professor Andrew Chanen, has declared the first week of October each year as Borderline Personality Disorder Awareness Week with the aim of promoting understanding of the disorder in the community and working towards better treatment options and quality of life for those affected by the disorder.
Question agreed to.

International Development Assistance: Disability

Senator RHIANNON (New South Wales) (15:44): I move:
That the Senate—
(a) notes that:
   (i) 80 per cent of people with a disability live in developing countries,
   (ii) over 20 per cent of the world's poorest people in developing countries have a disability,
   (iii) children with a disability are much less likely to attend school than children without a disability, and
   (iv) it is estimated that armed conflict will be the eighth most common cause of disability worldwide by 2020; and
(b) urges the Department of Foreign Affairs and Trade and all those involved in progressing development policy and programs to ensure budget and accountability measures are in place with reference to implementing a multi-partisan commitment to disability-inclusive development.

**Senator FIFIELD** (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (15:44): I seek leave to make a short statement.

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

**Senator FIFIELD:** Promoting sustainable economic growth and poverty reduction is the key goal of Australia's aid program. People with a disability and their families are disproportionately affected by poverty. Australia is a leader in disability-inclusive development. It is an important part of the government's new aid policy. The Australian government is developing a new strategy for disability-inclusive development for the period post 2015 and has been consulting widely over the course of the year with stakeholders. Australia is using its aid program to promote equal access to services, provide disability-inclusive education, including scholarships for promising young leaders, and remove physical barriers through investments in infrastructure.

Question agreed to.

**Local Content Broadcasting**

**Senator LUDLAM** (Western Australia) (15:45): I move:

That the Senate—

(a) notes that:

(i) Australia's community broadcasters are a vital part of Australia's increasingly concentrated media landscape, providing space for diverse voices not found in commercial media,

(ii) some 25,000 Australians volunteer at their community radio or television station each year, gaining critical commercial skills and experience that they would not be able to access elsewhere, and

(iii) the future of the sector has been called into question by the Minister for Communications' recent announcement that spectrum licensing to community stations will be cancelled at the end of 2015; and

(b) calls on the Australian Government to:

(i) immediately commence a public consultation process regarding the future of Australia's community broadcasting sector, and

(ii) reconsider the decision to cancel spectrum allocation to the community broadcasting sector.

**The PRESIDENT:** The question is that notice of motion No. 462 standing in the name of Senator Ludlam be agreed to.

The Senate divided. [15:50]

(The President—Senator Parry)

Ayes .................. 35
Noes .................. 29
Majority .............. 6

**AYES**

Bullock, J.W., Cameron, DN
Carr, KJ, Conroy, SM
Dastyari, S, Di Natale, R
Gallacher, AM, Hanson-Young, SC
Ketter, CR, Lambie, J
AYES
Lazarus, GP
Ludlam, S
Lundy, KA
Marshall, GM
Mia, C
Muir, R
Peris, N
Rhiannon, L
Siewert, R
Sterle, G
Wang, Z
Whish-Wilson, PS
Xenophon, N

Lines, S
Ludwig, JW
Madigan, JJ
McEwen, A (teller)
Moore, CM
O’Neill, DM
Polley, H
Rice, J
Singh, LM
Urquhart, AE
Waters, LJ
Wright, PL

NOES
Back, CJ
Bernardi, C
Birmingham, SJ
Brandis, GH
Bushby, DC (teller)
Canavan, M.J.
Cash, MC
Colbeck, R
Day, R.J.
Edwards, S
Fawcett, DJ
Fifield, MP
Heffernan, W
Johnston, D
Leyonhjelm, DE
Macdonald, ID
Mason, B
McGrath, J
McKenzie, B
O’Sullivan, B
Parry, S
Payne, MA
Reynolds, L
Ruston, A
Ryan, SM
Scullion, NG
Seselja, Z
Sinodinos, A
Williams, JR

PAIRS
Bilyk, CL
Brown, CL
Collins, JMA
Faulkner, J
McLucas, J
Wong, P

Cormann, M
Ferravanti-Wells, C
Abetz, E
Ronaldson, M
Nash, F
Smith, D

Question agreed to.

DOCUMENTS

Asylum Seekers

Order for the Production of Documents

Senator HANSON-YOUNG (South Australia) (15:52): I move:

That there be laid on the table by the Assistant Minister for Immigration and Border Protection, no later than 3 pm on Thursday, 2 October 2014, the following documents:

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CHAMBER
(a) all incident reports logged at the Nauru detention centre relating to the misconduct of centre staff for the past 12 months; and

(b) all complaints of sexual assault, exploitation and child abuse made to case workers at the Nauru detention centre in the past 12 months.

**Senator CASH** (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (15:53): I seek leave to make a short statement.

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

**Senator CASH:** The government will not be supporting this motion. As I advised the Senate in question time yesterday, any complaint regarding inappropriate or criminal behaviour against a service provider staff member is treated with the utmost seriousness and urgency and with appropriate regard for procedural fairness and natural justice. I note that the allegations raised by Senator Hanson-Young with the Minister for Immigration and Border Protection have been referred to the department for comment. The making of an allegation or the referral of such an allegation does not substantiate it. Previous experience has demonstrated this on Christmas Island and other places where claims have later proved to have been fabricated or overstated. The government takes these matters seriously, and Minister Morrison will be making an announcement relating to these and other matters in the near future.

**The PRESIDENT:** The question is that notice of motion No. 463 moved by Senator Hanson-Young be agreed to.

The Senate divided. [15:55]

(The President—Senator Parry)

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<th>Ayes</th>
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**AYES**

Bullock, J.W.  
Carr, KJ  
Dastyari, S  
Gallacher, AM  
Ketter, CR  
Lazarus, GP  
Ludlam, S  
Lundy, KA  
Marshall, GM  
Milne, C  
Muir, R  
Peris, N  
Rhiannon, L  
Siewert, R  
Sterle, G  
Wang, Z  
Whish-Wilson, PS  
Xenophon, N  

Cameron, DN  
Conroy, SM  
Di Natale, R  
Hanson-Young, SC  
Lambie, J  
Lines, S  
Ludwig, JW  
Madigan, JJ  
McEwen, A (teller)  
Moore, CM  
O’Neill, DM  
Polley, H  
Rice, J  
Singh, LM  
Urquhart, AE  
Waters, LJ  
Wright, PL
Senator DI NATALE (Victoria) (15:57): I seek leave to amend general business motion No. 464 standing in my name.

Leave granted.

Senator DI NATALE: I move the motion as amended:

That the Senate—

(a) notes that:

(i) freedom of the press is an important element of any functioning democracy, and

(ii) access to Papuan provinces by foreign journalists has been tightly restricted by the Indonesian Government;

(b) expresses its concern at the ongoing detention of French journalists, Mr Thomas Dandois and Ms Valentine Bourrat, on 6 August 2014, while they were filming a documentary for the Franco-German television channel Arte, noting that they entered Indonesia on a tourist visa;

(c) welcomes public statements from Indonesia's President-elect, Mr Joko Widodo, that Papuan provinces should be open to foreign journalists; and

(d) calls on the Australian Government to request that the Indonesian Government release Mr Dandois and Ms Bourrat as a sign of its commitment to more open Papuan provinces.

I seek leave to make a short statement.
The PRESIDENT: Leave is granted for one minute.

Senator DI NATALE: This motion goes to two specific issues. One is the issue of journalism and journalism right around the world being under attack. We have recently seen the issue of the Australian journalist, Peter Greste incarcerated in Egypt after a show trial, but we cannot advocate for people like Peter Greste and stay silent on the issue of the arbitrary detention of journalists in West Papua like the two French journalists who were doing nothing other than reporting the truth.

It also goes to the issue of the recent changes in West Papua and, in fact, the election of the new Indonesian President, President Joko Widodo, who has made some very encouraging noises around the situation in West Papua. It is important that we facilitate ongoing dialogue with the Indonesian President to ensure that journalists get access to that region.

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE
Asylum Seekers

The ACTING DEPUTY PRESIDENT (Senator Lines) (15:59): The President has received the following letter from Senator Siewert:

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

The Abbott government's treatment of asylum seekers detained offshore in Nauru and Manus Island and the recently signed deal with Cambodia.

Is the proposal supported?

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

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

Senator HANSON-YOUNG (South Australia) (16:00): Thank you, Madam Acting Deputy President. I rise today to contribute to this debate on a matter of significant importance not only to Australians but also to Australia taxpayers, who are funding the detention centres on Manus Island and Nauru, and who are about to fork out millions and millions of dollars for the government's latest deal with Cambodia. I want to put a few facts on the table first, so that we all have an understanding of the people we are actually talking about in relation to these detention centres located out in the Pacific.

At the moment, there are 1,233 people detained in the detention camp in Nauru. That includes 222 children and 263 women. We have just over 1,080 people detained on Manus Island in PNG. And of course, the Cambodia deal that was signed last Friday 28 September will act as the newest tool in the government's toolbox of cruelty to be inflicted on these people who are languishing now—as we speak—in the Australian-run and Australian-funded detention camps on these islands. Right now, as we stand here in this place and debate, there are men, women and children in Nauru who are feeling extremely distressed about their circumstances. We know that, over the last few days, there is pressure being put on these people to choose between living in what they themselves describe as 'hell' in Nauru and going...
off to Cambodia. It is near impossible for anyone to imagine how that decision could be voluntary.

The children who are detained inside the detention centres today have fled from war and terror and, tragically, many of them have been forced to flee by themselves. There are a number of unaccompanied children who are detained inside the Nauru detention centre. We know that, in response to the government's Cambodia deal last week, a number of these people, including children, have sadly and tragically acted in ways that have inflicted self-harm. I think that that is extremely concerning for those in this place—to understand what drives somebody to use their own body as their only weapon of communication: to harm themselves in a desperate plea to be heard and to be helped. When these people arrived in Australia, they begged us for our help and assistance. They were scooped up, told they had no rights, and dumped on these remote islands in the middle of the Pacific.

The concerning reports that are emerging from within the Nauru detention centre continue. We know that there are allegations today—which have been circulating for a number of months, and are becoming louder and louder—of mistreatment within the detention centre, and abuse of asylum seekers and refugees, including children, who are detained within its fences. This abuse has been alleged to have happened at the hands of both Australian and Nauruan guards—paid for by the Abbott government, funded by the Australian taxpayer, and managed by the Australian immigration department. The allegations that have been levelled are very, very serious indeed. It is time that the government acted, and not continue to brush these allegations under the carpet. There are accusations of rape taking place inside the centre. One young female detainee has alleged that she was threatened that, once she was released into the Nauru detention centre, she would be raped by the very people who at the moment continue to guard her inside the detention centre. There are accusations that Nauruan guards have been trading marijuana with detainees in exchange for sexual favours. There are accusations that a guard previously employed at the centre forced children to engage in sexual activity in front of him. After those accusations surfaced, it is alleged that this guard has since been moved from working inside the family camp—but that no official management of children's protection inside the detention centre has developed as a result of this. Children are resorting to extreme acts of self-harm. These accusations of serious sexual abuse must be addressed by the minister immediately.

I look forward to hearing what the investigation which the minister has said will be conducted by the immigration department will look like. We need a time frame. We need to know when the investigation will report back to this place, and we need to make sure that it is fully transparent, and follows a proper and open process.

The mainland detention network is already dealing with a series of very serious allegations of sexual abuse against children. We know this from the Human Rights Commission's National Inquiry into Children in Immigration Detention. The immigration department's own figures show that there were 33 cases of alleged sexual assault involving children in Australian detention centres and on Christmas Island between January 2013 and March 2014—and that is on the Australian mainland, in the Australian-managed detention centres. I have grave concerns about what, then, is going on behind the locked gates and the dark fences, and inside the tents, inside the Manus Island detention camp.
There is a blanket of secrecy that covers Nauru and Manus Island, and it is becoming increasingly clear why. The Australian government refuses access to independent bodies to investigate what is going on. Of course, we also have the visa hikes in Nauru which have made it near impossible for journalists to even visit the island. We know that earlier this year the Nauru government hiked their fees for journalists visiting the island from $200 to $8,000 just to apply for a visa; that does not mean that they will get guaranteed access or even have the visa approved. It seems that we are starting to find out, from the mouths of those who are suffering inside, what the government is trying to hide.

The situation on Nauru is getting desperate, and the Australian people deserve to know what is going on. It was wonderful today to see this place pass the motion for an order for the production of documents so that we can get a sense of what incidents have occurred and what has been documented. However, I fear that many of these cases have not been documented properly. That is what we continue to hear from those who have worked within the centre and those who are detained within it—that the system of denial and dismissal of the serious mistreatment inside these detention centres is nothing more than a cultural cover-up. It is a toxic environment, and we know that people are suffering every single day.

That brings me to the deal with Cambodia. How can we see sending these already vulnerable and broken people to Cambodia as in any way being the humane thing for a country like Australia, who could and should be doing more to help those in need, to do? The United Nations refugee body has strongly condemned the government's deal with Cambodia. They have said:

Refugees are persons who are fleeing persecution or the life-threatening effects of armed conflict. They are entitled to better treatment than being shipped from one country to the next. I could not agree more, yet this government seems to be obsessed with shipping refugees from one country to another just so Australia does not have to do our fair share. What do we say to the unaccompanied girls who are currently detained inside the Nauru detention centre when they step off the plane in Phnom Penh and are exposed to the sexual exploitation of Cambodia's sex trade? All NGO and aid workers have strongly condemned this deal. They have said that their gravest fears are for the children and young women who will be subject to this—(Time expired)

Senator BACK (Western Australia) (16:10): I am grateful for the opportunity to contribute to this debate and I place on record my congratulations to Minister Morrison and Assistant Minister Cash for executing so effectively the coalition policy, which was promised at the last election, to stop the boats. I think it has been an absolute testament to the capacity of that minister and his assistant minister—led, of course, by the Prime Minister and the cabinet.

I speak for the more than 1,100 people who are known to have perished in the 2,200 days, or six years, of Labor government—approximately one every second day. I say those known, because as part of Operation Sovereign Borders, I had the opportunity earlier this year to spend some time at Larrakeyah Barracks in Darwin. I asked the Navy personnel—the very ones who were pushed to the limit as a result of the flawed policies of the Labor and Greens government of the time—whether they thought that the figure of 1,100 people known to have perished was accurate. Each of them looked at me ruefully and said, 'Senator Back, we know that to be an absolutely conservative figure'. Given that statistic, in the 400 days of the
coalition government to date, we can safely say that at least 200 people have had their lives saved as a result of not falling to the people smugglers and not being put to sea on unseaworthy boats in sea conditions that they should never have been in. Of course, we all know what the result of that has been. This is what this is about. This is what this particular issue concerns.

I do not recall Senator Hanson-Young being vocal in those days when we were feeding the people smugglers and when people were putting their unaccompanied children on boats.

*Senator Hanson-Young interjecting—*

**Senator BACK:** I did not hear Senator Hanson-Young once open her mouth and speak about the refugees, those people who had been processed and found to be genuine, rotting for second and even third generations in refugee camps. I never heard this senator open her mouth once during all that time. All I hear her doing today is bleating away in the circumstances.

Let me go back to the time when the Howard government was in power—

**Senator Milne:** Madam Acting Deputy President, I rise on a point of order about reflecting on other members of parliament. I would ask that Senator Back stick with the truth.

**The ACTING DEPUTY PRESIDENT (Senator Lines):** Senator Back, please continue.

**Senator BACK:** I will go back to speaking about the then shadow minister, Ms Gillard, during the last five years of the Howard government, when only two people per month arrived illegally by sea—in contrast, of course, to the figure of 3,000 people. It was during the time when the odd vessel did turn up—by Jove it was infrequent!—that the then shadow minister Ms Gillard came out with the great statement, 'Another boat, another policy failure'! I will tell you how many there were in the six years of the Labor government. There were 800 policy failures because 800 boats brought some 50,000 illegal arrivals to this country, costing the economy more than $12 billion in added costs.

Senator Hanson-Young came into this place and asked a question yesterday, and she had a motion before this chamber today, seeking information from Minister Scott Morrison regarding allegations of improper conduct on Nauru. Quite properly, through the assistant minister here in this place, Minister Morrison said that he would direct his department to fully investigate these allegations. One would hope they are not true. One would hope there is not one element of truth. But what was Senator Hanson-Young's motivation in going straight into the public arena and speaking of these matters as if they are facts. They are not facts until proven, and I can assure you that if I know anything of Mr Morrison, both as a minister and as a person, he will be directing his department to report fully. I am sure that through Assistant Minister Cash we will learn the outcome of that circumstance.

In the short time I have left, I wish to direct the attention of the chamber to the commitment of the Abbott government to increasing the number of genuine refugees up to 20,000 people—that is, 20,000 people who will be able to come when we stop the illegal boat arrivals.

**Senator SINGH** (Tasmania) (16:16): I rise to speak today on this matter of public importance, a matter that is not only of national significance for Australia, and for our place in the region, but of importance to the world for how refugees and asylum seekers are treated. The actions taken by our government in signing a deal with Cambodia have the potential to
set a disturbing new paradigm and change how the refugee convention is understood and implemented by all nations. Indeed, the UN High Commissioner for Refugees, Antonio Guterres, has warned that this is a ‘worrying departure from international norms’.

We know that this arrangement represents world’s worst practice in the treatment of refugees and the management of the movement of people. Rather than taking responsibility for the flow of asylum seekers across our borders and into our region, and working out a cooperative plan with our neighbours and partners in the Asia Pacific, the Abbott government has instead simply offloaded its duties and obligations onto smaller, poorer, and less-resourced nations with governments that are not equipped to deal with the major challenges involved in providing processing and settlement for large numbers of asylum seekers. We know that Cambodia falls directly into this category, and it is not surprising that Scott Morrison should have targeted it as a country that might be vulnerable to exploitation by this government. Transparency International, an NGO that monitors corruption worldwide, has ranked Cambodia 160th out of 177 nations on its global corruption index. Problems of governance and corrupt activity are endemic. We know that refugee children and families will be particularly vulnerable in Cambodia. Former Chief Justice of the Family Court, Alastair Nicholson, has spoken on this situation on behalf of an alliance of groups made up of UNICEF Australia, Save the Children, Plan International Australia, World Vision, Amnesty International, Refugee Council of Australia, International Detention Coalition and Children's Rights International, saying:

This planned deal is inappropriate, immoral and likely illegal. It is inappropriate because Cambodia has no capacity within its social sector to take an influx of refugees. Immoral because these vulnerable people are Australia’s responsibility, and while we await the detail, it appears illegal in contravening Australia’s humanitarian and refugee obligations to vulnerable children and families.

The alliance of children's and refugee agencies said Cambodia's education and health systems would not be able to support or sustain the arrival of refugees. Today, 70 per cent of Cambodia's children do not reach secondary school. Poor health also affects Cambodian children, with 40 per cent of children under the age of five being undernourished. Cambodia is itself a refugee-producing country, with many of its citizens seeking protection here in Australia from abuse by their government and by others. Even though Cambodia does not have the capacity to stop persecution of its own citizens, the Abbott government is entrusting the protection of some of the world's most vulnerable people to the government of Cambodia.

Some members of the government have started referring to this deal as a regional solution. But as experts in refugee law and migration management such as Professor Jane McAdam have argued, a regional, co-operative plan for dealing with asylum seekers and refugees must be based on burden-sharing between governments. Where developing and developed nations are collaborating in the processing and resettlement of asylum seekers, there needs to be an effort at capacity-building so that those countries with advanced systems for administering asylum seeker claims, and high legal standards for their determination, can help to educate and to develop those capacities in others where they do not exist. This is a long-term and intensive process and it cannot be done simply with the granting of one-off payments, like the $40 million dollars that has reportedly been offered by Scott Morrison. There is no investment in Cambodia's future, and there is little hope that its people will see the benefits of these large amounts paid out by the Abbott government. It bears a striking similarity to the Howard government's payments to the near-bankrupt government of Nauru as part of the Pacific
Solution, which, rather than helping the country, have left it in a position where just last week it has again been placed in danger of bankruptcy and being forced to close down government services.

Rather than burden-sharing, the Cambodia deal represents burden-shifting: an aggressive, wealthy developed country unethically placing financial pressure on a developing country in its region to solve a political problem of the Abbott government's own making. According to the memorandum of understanding published on the website of the Department of Immigration and Border Protection, this is a deal relating to the 'settlement of refugees in Cambodia', but, as with all undertakings by this untrustworthy Abbott government, we cannot take what it says as being a true and accurate depiction. Indeed, hidden within the memorandum of understanding and its operational guidelines is a provision that 'Australia will help facilitate the voluntary repatriation of the refugees'.

So even after they have been offered a place of protection in Cambodia, however ill-equipped to provide that they may be and limited the protection might be, the Australian government will still be actively working to send them back to the country in which they were persecuted and from which they fled. We know of the mental health problems that asylum seekers and refugees routinely suffer from and how important it is that they are given certainty and stability in their circumstances so that they can heal and move on to lead full and productive lives. That is the only humanitarian way for them to be treated.

But these provisions effectively turn Cambodia into a holding pen so that refugees will be constantly moved on from one place to another—from Australia, to Nauru, to Cambodia and then potentially back to the country of persecution. It is a recipe for mental illness and suffering without end. In any evaluation of the Cambodia deal, we also need to bear in mind the recent history of the Australian government in managing detention centres outside Australian territory and its gross negligence in the operation of the Manus Island centre, involving armed attacks against asylum seekers and the death of Reza Barati. How can there be any faith in the government's ability to provide adequately for refugees in Cambodia given its record on Papua New Guinea?

The government has run its asylum seeker policy under what I have referred to as a circus of secrecy. In the Manus Island case, we only discovered the reality of what was happening through the brave actions of G4S staff members who had spoken about their situation through a Senate inquiry. They revealed that not only were asylum seekers incredibly traumatised by the rapidly developing tensions and violence that occurred under Scott Morrison's watch—after he had been warned about the need for greater security and to deal with deteriorating relations between the local population and those in detention—but staff themselves were also traumatised.

The negligence of the minister in failing to take adequate measures to protect the guards and staff resulted in a situation of such danger that security services were withdrawn and responsibilities were turned over to local authorities, leading to an increase in violence and the death of an asylum seeker. Rather than deal with these problems, the Abbott government has simply drawn down its veil of secrecy and refused to address these issues. This is the history of Minister for Immigration Scott Morrison's engagement with foreign governments and developing nations in offshore detention and refugee policy. Given the likelihood of its repetition in the future, for those of us who stand for human rights and for those of us who
stand for the humane treatment of refugees and asylum seekers, we must take the strangest of stances against this Cambodian deal. That is because if we will not, then who will?

Senator MILNE (Tasmania—Leader of the Australian Greens) (16:25): I rise to ask the question: how have we in Australia got to such an appalling point that we have 1,200 people stuck on Nauru in the most appalling circumstances?

Senator Brandis: Because of the Labor government that you supported in office, Christine!

Senator MILNE: I know Senator Brandis would like to contribute, so perhaps he would like to put his name on the speaking list. The issue for me is this: how have we got to this point? The one thing Senator Brandis says that is correct is that this did occur because of the Labor government.

Senator Brandis: Which you supported in office, with policies you endorsed!

Senator MILNE: I know Senator Brandis would like to contribute, so perhaps he would like to put his name on the speaking list. The issue for me is this: how have we got to this point? The one thing Senator Brandis says that is correct is that this did occur because of the Labor government.

Senator Brandis: Which you supported in office, with policies you endorsed!

Senator MILNE: It did occur, although I cannot understand how Senator Back could have been uninterested in the debate that he did not notice that it was only the Greens in this parliament who stood up and debated at length the decision of the former Gillard government to open offshore detention. It was the Greens who stood up, when Senator Lundy was the minister, and questioned her rigorously about the claims that the Labor Party in government made about the oversight that would be given to the offshore detention centres. That will stay on the record and haunt her for the rest of her life, because Senator Lundy stood there and said that there would be oversight and that all of these things that have happened would not happen. But that was exactly what happened and those centres should have been closed down.

Now we have an even worse situation where this government does not even pretend to care that we have got 1,200 people stuck on Nauru, which has a failing economy. They do not even have enough money. They are going to run out of money even to run their generators. They cannot pay the wages; the place is going broke. You have got people locked up in the detention centre who, when they heard of the temporary protection visa deal and when they heard of the Cambodian deal, immediately went into such a state of distress that there were three suicide attempts and there was self harm going on. A 14-year-old girl has taken over leading the protests, because her father has gone into such a state of distress. People have refused to drink and people are sewing their lips together. Another young girl swallowed washing powder, causing her to vomit blood. She was sent to Sydney over the weekend. This level of self harm is particularly amongst children.

Ought we not be asking ourselves: how do we actually cope with the idea that it is because of the Australian government's policy that we are forcing children, young kids at 14 years old, to sew their lips together to try and kill themselves? Who is going to take responsibility for that? I saw that the minister was asked about the fact that there are allegations of guards who were saying to women on Nauru that if they want to shower for longer than two minutes, they have to do disrobe and they have to show their bodies. There are allegations like that and the minister says that, if that is found to be true, he would be, 'Pretty damn cross.'

Actually, he needs to be more than pretty damn cross. He has got to take responsibility. There is such a thing as ministerial responsibility. He has oversight of these offshore detention centres. Reza Berati is dead—murdered at Manus Island. We have young people
who are actually trying to kill themselves. There are appalling allegations of exploitation. Now we have a deal with Cambodia.

Cambodia is one of the most corrupt countries on the planet. In January this year, the Australian government made a presentation to the Human Rights Committee condemning the human rights abuse record in Cambodia. So the government cannot pretend it does not know; it does. It reported that about Cambodia earlier this year; yet, despite that, the Australian government is paying a bribe of $35 million to $40 million to the Cambodian government, to the Hun Sen regime, to take our refugees. What are the conditions? Well, we know very little. What we do know is that this is a country with very little freedom of expression. As I said, corruption is endemic there. They have appalling international scrutiny.

Senator O'Sullivan: Mr Acting Deputy President, I rise on a point of order. The reference by the senator that accuses our government of paying Cambodia a bribe is highly offensive, and I think it offends section 193 of the standing orders.

The ACTING DEPUTY PRESIDENT (Senator Sterle): There is no point of order.

Senator MILNE: As I indicated, Cambodia is one of the most corrupt countries on the planet. Ministers in the Hun Sen government are known to take bribes. The leader of the opposition in Cambodia, Sam Rainsy, has come out and said that any money Australia pays will go straight into the back pockets of government ministers. That is the way of it. They will be forced to relocate outside Phnom Penh after they get a basic grasp of the Khmer language. They will be forced to relocate outside Phnom Penh. This is contrary to the refugee convention, for a start. You cannot force people as to where they can and cannot live. Then the refugees are to be given minimal assistance for 12 months, at Cambodian subsistence levels, which is poverty. And then, at the end of 12 months, the Australian government will assist them to go back to their country of origin—in other words, to facilitate refoulement. That is exactly what has been going on in Sri Lanka.

The Australian government is sending back refugees to Sri Lanka, where they are being raped and tortured. The Australian government does not want to know about it. It does not follow up. The ADF allegedly did not interview someone when they wanted to give evidence about the fact that they had been abused when they went back, yet they will be refouled from Sri Lanka. That is exactly what is going to happen with Cambodia. Australia has offered to assist Cambodia in returning refugees to their country of origin.

So we have a shocking level of abuse going on here. We are removing reference to the human rights convention, the refugee convention, in legislation. We are abusing people. I thought what Senator Back said was interesting. We do not know if it is a new announcement from the government; but, apparently, it seems to be. The government cut the humanitarian refugee intake from 20,000 to 13,750. So, far from increasing the refugee intake, the government has cut it, but Senator Back just said that it was to be increased to 20,000. I will be very interested to know if in fact it is a government announcement to increase the humanitarian intake to 20,000. However, the point here is that we have a government of a rich country like Australia that is absolutely shirking its responsibility to look after refugees. Instead, it is sending refugees into appalling circumstances on Nauru and Manus Island. It is now signing an extremely dubious deal with Cambodia. Not only was there rioting on Nauru when this announcement was made; there was an immediate protest outside the Australian
Embassy in Phnom Penh, where Cambodians said it is a shocking thing that Australia is doing. How can a rich country shirk its responsibilities and send these people to one of the poorest and most corrupt countries on the planet and then say that their $35 million or $40 million, or whatever it is, will somehow be spent on those refugees when there is no detail? Where are they going to be housed? How are they going to be supported? And after the 12 months, what will happen to them? Why won't they end up like the hundreds of others living on the rubbish tips outside the boundaries of the cities? And the reason we will not know is that the Australian government do not care and do not follow-up. They do not follow-up the people they send back to Sri Lanka, they do not follow-up what is going on in Nauru and they will not follow-up what is going on on Manus Island. And now we go to what will actually happen in Cambodia. That is why I put the issue of ministerial responsibility on the public record.

*Senator Brandis interjecting—*

**Senator MILNE:** I know that Senator Brandis and others find this a very amusing subject, but it is far from amusing. In time, there will be people who will look back on this and say: 'How is it that this actually happened in Australia? How is it that the Liberal, Labor and National parties thought sending refugees to offshore detention centres was in any way a reasonable thing to do?' We should be processing people when they come here. It is not illegal to seek asylum. The constant lie that is told about illegal arrivals is just that; it is a lie. It is not illegal to seek asylum. Now we have the situation where refugees will come from the Middle East in their hundreds of thousands, and Australia will be saying, 'It is such a shocking situation there that we have to go to war, but we will not accept the refugees who end up here'—as they have from Afghanistan, from Iraq previously and from Pakistan—'We're sending them back.' Appalling! *(Time expired)*

**Senator McGrath (Queensland) (16:36):** This morning’s *Courier Mail*—

**Senator Brandis:** Hear, hear! Tell us about this morning’s *Courier Mail*, James.

**The ACTING DEPUTY PRESIDENT (Senator Sterle):** Ignore the interjection, Senator McGrath.

**Senator McGrath:** I cannot ignore the Attorney-General, Mr Acting Deputy President. This morning’s *Courier Mail* is inspired reading for everybody. I would encourage everybody in the chamber to have a good look at today’s *Courier Mail*, especially its front page.

Rather than talk about the hypocrisy of certain people in relation to yesterday’s events, I want to talk about the hypocrisy of certain people in relation to this MPI today. This is part of a concerted campaign by Labor and the Greens to undermine offshore processing Shame on you, because Tony Abbott, the Prime Minister, and the new government were elected—you are not leaving, are you, Senator Milne? You might learn something! Please, you are breaking my heart!

**Senator Brandis:** Scurry off back to your monkey enclosure!

**Senator Whish-Wilson:** I rise on a point of order, Mr Acting Deputy President. I ask that Senator Brandis withdraw that comment. We all heard it.

**The ACTING DEPUTY PRESIDENT:** Senator Brandis, I would ask that you do withdraw that comment.
Senator Brandis: I have not said anything unparliamentary. If I can be given some guidance as to what unparliamentary word I uttered, I would be happy to withdraw it.

The ACTING DEPUTY PRESIDENT: I would ask that you withdraw the comment that I clearly heard, as did other senators.

Senator Brandis: Out of respect for you, Senator Sterle, I withdraw the comment.

The ACTING DEPUTY PRESIDENT: Thank you, Senator Brandis.

Senator McGrath: I do recommend that everyone look at the front page of the Courier-Mail from today, because it is inspired reading.

Senator Brandis: It is an insult to apes!

Senator McGrath: I feel sorry for monkeys everywhere! Now, Tony Abbott was elected—

Senator McLucas: Mr Acting Deputy President, I rise on a point of order. I am sure that my other colleagues down that end did not hear that Senator Brandis repeated the words that you asked him to withdraw just a moment ago.

Senator Brandis: No, that's not right!

Senator McLucas: I do request that he withdraw those remarks as well.

The ACTING DEPUTY PRESIDENT: I did not hear Senator Brandis's remarks this time. I know what I asked him to withdraw before, but I am sorry I did not hear, because I was trying to listen to Senator McGrath, Senator McLucas. If there was anything untoward, Senator Brandis, I would ask that you withdraw it.

Senator Brandis: No, Mr Acting Deputy President. I merely pointed out that the cover of the Courier-Mail from this morning is an insult to apes, which it is.

The ACTING DEPUTY PRESIDENT: Senator Brandis, I think I know where you are going with that.

Senator McLucas interjecting—

The ACTING DEPUTY PRESIDENT: I am desperately trying to add some decorum to this chamber and some of the comments are not assisting. Senator McGrath, would you like to have another crack without the comment on the Courier-Mail?

Senator McGrath: I should not mention the front page of the Courier-Mail, so I will not do that, Mr Acting Deputy President.

The ACTING DEPUTY PRESIDENT: Senator McGrath, playing that game with me is dangerous.

Senator Hanson-Young: Rape and sexual assault is what is being discussed here!

Senator McGrath: I am not going to take lessons from the Greens on morality.

The ACTING DEPUTY PRESIDENT: Senator McGrath, ignore the interjections and direct your comments through the chair.

Senator Whish-Wilson: Mr Acting Deputy President, I rise on a point of order. Could you please instruct Senator McGrath to direct his comments through the chair, not directly at Senator Hanson-Young?
The ACTING DEPUTY PRESIDENT: Senator Whish-Wilson, I was actually doing so when all the screaming was going on, so I will just reiterate my words from about 30 seconds ago. Senator McGrath, please ignore the interjections and direct your comments through the chair. This is like groundhog day.

Senator McGrath: It is sometimes like groundhog day here, Mr Acting Deputy President. Tony Abbott, the Prime Minister, and the government were elected on the basis of stopping the boats, building the roads and infrastructure of the 21st century, getting the budget under control and paying back the debt. In terms of stopping the boats, that is what they have done. Since 19 December 2013 there has been one people-smuggling venture that has arrived here—only one. By comparison, for the period from 20 December 2012 to 1 October 2013, a total of over 20,000 illegal arrivals turned up on 290 boats. We are stopping the boats. What some people do not want to talk about is those who have been lost at sea. 'We don't want to talk about the 1,100 people who have perished at sea. No, we don't want to talk about that. No, we won't talk about that.' It is the silence of the lambs when it comes to talking about those 1,100 people. We do not care about those people! By stopping the boats, we are saving peoples' lives. Labor had over 11 failed approaches to border protection, which led to over 50,000 illegal arrivals on more than 800 boats. Illegal arrivals increased from two people per month in the last five years of the Howard government to more than 3,000 per month under the Rudd-Gillard-Rudd-Green government.

Senator Reynolds: Shameful!

Senator McGrath: Senator Reynolds, you are right. That is shameful. Certain people who come in here and cry tears but do not mention the 1,100 people who perished at sea have a false morality and are hypocrites. The government is doing what it said it was going to do. It is stopping the boats.

In terms of resettling in Cambodia, we said we were going to have a regional solution. We do have a regional solution: we are going to Cambodia. There is soft racism—and it is soft racism—about why Cambodia is not good enough for the resettlement of these people. Cambodia is a fine country. It is a good country. Those people sniggering and smirking about Cambodia should know that Cambodia will provide a safe home, it will provide an education and it will look after people—and those people will not be perishing at sea. I challenge people, through you, Mr Acting Deputy President, to talk about the 1,100 people at sea. Let us talk about those deaths. 'No, we will not!' There is a black hole of silence coming from a certain corner of this chamber, because they will not talk about those deaths. They will talk about anything else except those deaths and the number of lives that this government has saved through stopping the boats. (Time expired)

Senator Urquhart (Tasmania—Deputy Opposition Whip in the Senate) (16:43): I rise to speak on today's matter of public importance and, in doing so, will highlight the difference between the asylum seeker policy of this side of the Senate and the policies of those on that side of the House. I seek to immediately draw the Senate's attention to a murky shadow in the Senate from 23 November 2011. During question time on that day, Senator Cash was asking Senator Carr, who was then the minister representing the then minister for immigration, about the Labor government's policies in this area. During the course of Senator Carr's answer, Senator Cash interjected to say that the policies relating to people seeking
asylum are 'the gift that keeps on giving.' It is three years on and that is still the premise of their policy on this humanitarian issue.

Senator Brandis interjecting—

Senator URQUHART: It is to keep up the division, keep up the scaremongering and keep up the persecution rather than trying to assess the most desperate people who want to come to Australia—

Senator Hanson-Young interjecting—

Senator URQUHART: and make a better life for their family. We could not get a clearer policy position from the Liberal Party—

Senator O'Sullivan interjecting—

Senator URQUHART: which wants people to get on those leaky boats and to drown at sea. This is the Liberal Party policy writ large—

The ACTING DEPUTY PRESIDENT (Senator Sterle): Senators, I know this is a very emotive issue, but I am trying desperately to listen to the contribution from Senator Urquhart, who did sit through everyone else's contribution without interjecting. If you could refrain from interjecting, I would greatly appreciate that.

Senator Brandis: Mr Acting Deputy President, I want to take a point of order under section 193(3). I think the senator has reflected on Senator Cash, because she has asserted falsely that Senator Cash when she made the interjection in the words attributed to her by Senator Urquhart was reflecting upon the circumstances of drownings rather than, as was plainly the case, reflecting upon the senator, Senator Kim Carr, whom she was addressing in her interjection. That is a shocking reflection on Senator Cash. It ought to be withdrawn under standing order 193(3) or Senator Urquhart ought to make it clear that that is not her imputation. But, if it is her imputation, it must be withdrawn.

The ACTING DEPUTY PRESIDENT: Senator Brandis, with all the screaming that was going on, I was finding it very hard to hear what was going on. But I will ask Senator Urquhart if she wishes to address your concerns.

Senator URQUHART: I do not agree with Senator Brandis's point of order. My comments were in relation to a comment that Senator Cash made. If you have a look at the Hansard, you will see the correct record of those.

This is the Liberal Party policy writ large—'the gift that keeps on giving'. Senator Cash sought to clarify her comment, that she was not claiming that boats sinking at sea were a gift that kept on giving. If you had listened, Senator Brandis, I would have continued—

Senator Brandis: Mr Acting Deputy President, you have not ruled on my earlier point of order. But Senator Urquhart, in the sentence that has just come from her, has conceded and confessed that the imputation she sought to cast against Senator Cash was in fact false. So she is convicted by her own confession that her imputation was a falsehood. It is disgraceful.

Senator McLucas: Mr Acting Deputy President, I rise on the point of order. I put to you that there is no point of order. The reason is that Senator Brandis jumped up too early. If he had waited and listened—

Senator Brandis: She already made the slur.
The ACTING DEPUTY PRESIDENT: Order, Senator Brandis! Senator McLucas has the call.

Senator McLucas: I put to you that there is no point of order because Senator Urquhart has explained fully what Senator Michaelia Cash was intending when she made those cold and dreadful statements.

The ACTING DEPUTY PRESIDENT: I see no point of order.

Senator URQUHART: So she was not claiming that boats sinking at sea were the gift that that kept on giving but that it was the government's policy that was the infamous gift. The slip of the tongue remains emblematic of the Liberal-National coalition's willingness to use this humanitarian issue purely as a political plaything.

While in opposition, those opposite talked tough across the country, shouting from the rooftops whenever a boat carrying people seeking asylum arrived. The now Prime Minister stood in front of billboards across the country that were used to highlight the number of boat arrivals over a given period and were solely about politics and about demonising those who were seeking to make a better life for themselves and were never at all about trying to work through the problems in a collaborative manner. It was their way or no way.

Of course, in the latter stages of the Labor government, we introduced a policy of processing people seeking asylum offshore on Nauru and Manus Island. It is this policy that is credited as slowing boat arrivals.

Senator O'Sullivan interjecting—

Senator Hanson-Young interjecting—

The ACTING DEPUTY PRESIDENT: We are really starting to earn our dollars today—or some of us are. I will just ask once again if the interjections could be kept to yourselves. If you could let Senator Urquhart make her contribution in peace, it would be greatly appreciated by me.

Senator URQUHART: Upon coming to government, the attitude of those opposite got worse. It started with the once-a-week press conferences to supposedly provide updates on immigration matters. These farcical briefings ended after a few months. Most believe it was because the minister realised that there was no point holding a press conference if he was simply going to patronise journalists and refuse to answers questions. In the year since the Abbott government was elected, there has been a cone of silence over the immigration portfolio under the guise of not wanting to provide information to people smugglers. Ironically, other ministers are more than willing to provide ongoing public commentary on national security matters.

In the past six months two young men have tragically lost their lives while in the care of the Australian government on Manus Island. I take this opportunity to pay tribute to Reza Barati and Hamid Kehazaei. Both lost their lives this year—Mr Barati through a failure of security measures and Mr Kehazaei through a failure of medical processes. We know that police in PNG have arrested and charged two people over the murder of 23-year-old Reza Barati. Both men are believed to have worked with G4S, the company which managed security at the detention centre at the time of Mr Barati's death. Mr Barati died from severe head trauma during a riot inside the Australian-run detention centre on Manus Island on 17 February.
Mr Kehazaei cut his foot at the detention centre on Manus and developed septicaemia because it was left untreated. He was eventually transferred to Brisbane's Mater hospital where he suffered a heart attack. In early September, his family back in Iran made the decision to switch off his life support. The 24-year-old was later declared brain dead. In early September, his family back in Iran made the decision to switch off his life support. The 24-year-old was later declared brain dead.

The lawyer representing the young man's family, Ruth Hudson, says there has not been enough information provided to the family and the Australian public about the specifics of his transfer from Manus Island to Brisbane. Ruth Hudson has said she would investigate three critical points in the timeline of Mr Kehazaei's treatment: the possibility of an inadequate initial diagnosis; the potential failure of not transferring him quickly enough to Australia; and the failure to provide adequate treatment.

A number of former Manus Island staff have also spoken about the conditions at the centre, including former G4S and Wilson Security guard Beau Mitchell. In an interview with the ABC, Mr Mitchell said he was not surprised an accident of this magnitude had occurred. Mr Mitchell said:

"There's no air conditioning, the beds are extremely close together. The living standards are pretty quite filthy...

Often they'd be standing on concrete to have a shower that was literally falling apart underneath them, just completely rotting away.

... ...

The people that were actually working there did a fantastic job ... if it was something quite severe they'd be seen quickly but if it wasn't an emergency it was a 2-3 day wait normally.

It appears that we have people trying their best in really terrible conditions, and we are not hearing anything about this from the government; they are completely silent, leaving it up to whistleblowers to inform the public about these squalid conditions.

If this track record is not bad enough, the government has now reached new lows by brokering a $40 million deal with Cambodia that is reported to resettle only a handful of refugees. In true Abbott government form, the Cambodia deal was brokered under a veil of secrecy. Australians were given no details of the deal until the ink was well and truly dry. In fact, the only way we heard about it was through the Cambodian press. In the absence of transparency and full disclosure from Mr Morrison, we also discovered from the Cambodian media what Mr Morrison will be getting for his $40 million. According to an article in the Phnom Penh Post, the Cambodian Minister of Interior, Sar Kheng, has said on this matter:

"We will try to take four or five people, maybe two or three (initially). If that is what actually transpires, we are looking at quite a few million dollars being spent on each refugee. It certainly does not sound as though Mr Morrison has achieved value for money in this deal, and it sounds very suspiciously like policy on the run.

We also need to ask questions about Cambodia's capacity to support these people. The president of Cambodia's Centre for Human Rights, Virak Ou, told Radio National that Cambodia is in no position to take refugees. On this matter he said:

"We are a poor country, the health system is sub-par at most. I don't know how the refugees will send their kids to school.

According to UNICEF, 18 per cent of Cambodians exist below the international poverty line of $1.25 a day. With all these existing problems, it is hard to see how Cambodia will be able..."
to support more people with their already stretched public resources. Similarly, we cannot
close our eyes to Cambodia's human rights record. In fact, as recently as January this year the
Abbott government was concerned enough to denounce Cambodia at a United Nations
Human Rights hearing for its human rights abuses. Now, just nine months later, it appears the
government expects us to believe that there is no longer a problem.

Australians need to be certain that the safety and security of refugees is protected, and it is
the responsibility of the Abbott government to provide that assurance. So far, we have heard
nothing about the measures the government is putting in place to ensure that the health and
wellbeing of refugees is guaranteed. This is an ill-considered quick-fix deal through which
Australia shirks its responsibilities as a global citizen. We also need to recognise the sheer
hypocrisy of this agreement, especially when it was members of this government who were so
brutally opposed to the Malaysia regional solution proposed by the Labor government in
2011. It simply does not make any sense to complain about the human rights implications of
asylum seekers being sent to Malaysia but to have no concerns with stitching up a deal to
send people to Cambodia. The truth is that this was more about political wins than the feigned
concern about the health and wellbeing of asylum seekers. Prime Minister Abbott himself
admitted as much when he apologised to Malaysia soon after getting into office. On this
matter he said:

I offered an act of contrition, if you like, to Prime Minister Najib for the way Malaysia got caught up in
what was a very intense and at times somewhat rancorous debate in Australia. He knows we play our
politics pretty hard in our country.

This is an outrageous admission that our Prime Minister sees the global refugee crisis as little
more than a political tool used to score points in domestic politics.

On this side of the chamber, we do not see any policy as 'a gift that keeps on giving'.
Rather, we are committed to working through issues with fairness, equity and justice
at the
fore of our decision making. I implore the government to end the silence and adopt a similar
approach.

Senator REYNOLDS (Western Australia) (16:56): Thirteen years ago I saw true evil up
close and, for the first time in my life, I understood it. The events of 2001 and 2002 left an
indelible mark on me. As chief of staff to Chris Ellison, the Minister for Justice and Customs
during one of our most challenging periods in government—September 11, the Bali
bombings, the Tampa and SIEV X—I personally experienced the best and the worst of
humanity. And the lessons I learned then, both as a human being and in government, about
both national security and border protection are just as relevant today.

As I said in my first speech, it was at the Bali hospital, where Australians were lying in the
morgue, that I came to truly understand that those who desire to destroy democracy do not
respect our national compassion. Instead, they see it as weakness and wait for opportunities to
exploit it. To the day I die, I will never forget what I saw, what I heard and what I smelt there.
Through these experiences, dealing with people smugglers and terrorists, I came to
understand that in government compassion has to be balanced by strength and by
decisiveness. Compassion for those impacted by the most heinous of crimes must be balanced
with the strength to deal with the criminals.

This very morning in this chamber I observed that senators on the other side routinely
proselytise about fairness, as if somehow their own personal points of view on fairness is the
singular truth and that everybody else is wrong—or, worse, that everyone else is unfair and uncompassionate. But the truth is that nobody in this place has a mortgage on compassion. Instead, we have differing philosophical perspectives on fairness and on policy. I know from three years of personal experience that border integrity is one of the toughest areas of government policy but nonetheless one of the most important. There is no greater responsibility for any government than managing our borders and having a tough but fair managed migration program—one that is inherently safe and therefore the most compassionate.

Senator Hanson-Young interjecting—

Senator REYNOLDS: But responsible governments do not take the easy way; they do what is right. I can hear the interjections from Senator Hanson-Young, and I would say to her that having personally received phone calls to advise that people—women and children—were drowning on sinking boats, in the most heinous and awful circumstances, I still cannot describe today how terrible that is. When you have actually experienced that you will come to truly understand how I feel and why I feel so strongly about this.

Senator Hanson-Young interjecting—

The ACTING DEPUTY PRESIDENT (Senator Sterle): Order! Sorry, Senator Reynolds. I am listening intently to your contribution, and I would ask other senators to at least afford Senator Reynolds the last one minute and 57 seconds that she has left.

Senator REYNOLDS: Thank you, Mr Acting Deputy President. I see not a single shred of compassion in any deliberate government policy that would encourage tens of thousands of people to put their lives at risk. Under Labor, with the support of the Greens, more than 1,100 human beings drowned at sea—the most horrific deaths imaginable. Where were those opposite then and how can they possibly still advocate today that this is a compassionate policy and approach? I have tried very hard over the years to understand their brand of compassion, and I just cannot get there.

The circumstances that Senator Milne and Senator Hanson-Young—I can hear her again—talked about today are a direct result of their policy failures. We learned in 2001 as a government and as a nation that the only way to preserve the integrity of our borders and to stop people putting their lives at risk was to put the people smugglers out of business—and the only effective way to do that is to ensure they cannot sell the promise of permanent residency and ultimately citizenship in Australia. Labor's loss of control of our borders resulted in 50,000 illegal arrivals on 800 boats and cruelly denied over 14,000 others, arguably more deserving, a place under our offshore humanitarian program. What is even more mind boggling is the fact that once it was clear that this was happening and that the series of 11 policy flip-flops by Labor were not working, they still continued with these policies and people continued to die.

In conclusion, people smugglers are going out of business, people are no longer drowning at sea and our detention centres are once again emptying. To me, that is the most compassionate outcome of all. (Time expired)

Senator SESELJA (Australian Capital Territory) (17:01): I thank senators, particularly Senator McGrath, Senator Reynolds and Senator Back, for their contributions to this important discussion. It is extraordinary to me that the Greens and the Labor Party have the
gall to come into this place and raise this matter of public importance on asylum seekers. It is extraordinary that they do not just hang their heads in shame at what they oversaw over six years prior to the coalition coming to government. Senator Hanson-Young comes into this place and waxes lyrical and moralises to the coalition about asylum seeker policy when the policy she supported and the policy the Labor Party implemented and oversaw was a disaster. It is difficult to compare the policy disaster that we saw in relation to asylum seekers over the six years of the Labor-Greens government with any other area of policy failure. I cannot think of another policy failure that has led to at least 1,100 deaths at sea. I cannot think of another policy failure that has led to human tragedy on such a scale.

For the Greens through Senator Hanson-Young and Senator Milne, and the Labor Party through the likes of Senator Urquhart, to lecture the coalition and to lecture the Senate on this issue is breathtaking. I imagine it will be breathtaking to the Australian people when they reflect on the record of those opposite when they were in office. It will be breathtaking when they consider the numbers of people, the sheer human tragedy—

Senator Hanson-Young interjecting—

Senator SESELJA: Senator Hanson-Young continues to carp away; she continues to interject—part of her must be a little bit embarrassed about what she is saying and about what she has overseen. She comes in here and moralises and lectures to a government that has got control of the issue to the extent that we no longer see the boats coming—we have seen one boat over the last nine months or so; one boat compared to the 20,000 people in the same period last year under the former government.

Senator Hanson-Young interjecting—

Senator SESELJA: We know why she keeps interjecting—she must be embarrassed.

Senator Hanson-Young: I'm not embarrassed—I'm embarrassed for you.

Senator SESELJA: She says she is not embarrassed—she is absolutely shameless. She is so shameless that when the policies she supported led to thousands of people getting on boats and more than 1,100 people drowning, what did she say? She was so ashamed that she said, 'Well tragedies happen. Accidents happen.' Unfortunately tragedies do happen, but sometimes they happen as a result of a failure of policy. In this case that is exactly what happened. Policies have consequences. Poor border protection policies have consequences—they draw people onto leaky boats and many of them do not get here. That is one of the consequences of bad policy, and that is a policy she continues to advocate. I think this attitude should be called out for what it is—it is a disgrace. It is morally bankrupt to not care about the consequences of your policy decisions.

What is perhaps just as extraordinary is that the Labor Party continues to back this up. We expect the extremism from the Greens. We might be somewhat shocked by it, we might think it is disgraceful, but we do expect it. The alternative government of this nation should be better than that. The alternative Labor Party government should be better than the Greens but unfortunately they are not. Unfortunately they are no different. They continue to back the Greens view of the world, and the Greens-Labor view of the world is that we should have no effective policy, effectively an open borders policy. You have tried that and it did not work. It had tragic consequences. I think the Greens and the Labor Party should be condemned and their moralising and lecturing should be seen exactly for what it is.
The ACTING DEPUTY PRESIDENT (Senator Whish-Wilson): The time allotted for the discussion has expired.

DOCUMENTS

Responses to Senate Resolutions

Tabling

The ACTING DEPUTY PRESIDENT (Senator Whish-Wilson) (17:07): I present the following responses to resolutions of the Senate:

Minister for Foreign Affairs (Ms Bishop) to a resolution of the Senate of 1 September 2014 concerning the Global Fund to Fight AIDS, Tuberculosis and Malaria

Minister for the Environment (Mr Hunt) to a resolution of the Senate of 2 September 2014 concerning renewable energy projects in South Australia

Prime Minister (Mr Abbott) to a resolution of the Senate of 4 September 2014 concerning the G20 summit in Brisbane

Global Fund to Fight AIDS, Tuberculosis and Malaria

Senator RHIANNON: by leave—I move:

That the Senate take note of the response from Ms Bishop, the Minister for Foreign Affairs, to the Senate resolution relating to Global Fund to Fight AIDS, Tuberculosis and Malaria.

The response from the Minister for Foreign Affairs is partly informative but certainly most disappointing. Just to refresh senators' memories, the foreign minister was responding to a motion of the Greens that was passed that urged the government to make an urgent pledge of an additional $125 million to the global fund. The global fund is part of the work of the Gavi alliance, a proven global initiative that is making such a difference to people's lives—saving millions of lives, in fact, because it focuses on vaccines for men, women and children, particularly in low-income countries. What we heard from the minister was that some commitment remains, and she set out the commitment of $200 million over three years to support the global fund.

But the minister also stated that the government will not make a further contribution during the current funding period. This really is a very serious setback, because it is estimated that the Gavi programs can prevent nearly four million deaths in the coming period. It is a program that very much needs our continued support.

Gavi is one of the most impressive of the international organisations, bringing together both public and private funding in a very organised way that is making a huge difference in terms of the health of people in developing countries. It was back in 2010 that the Gavi board came up with a five-year strategy, which is due to end in 2015. Again, it brings us back to the failure of this government to inject the money that was requested into that important work. The full implementation of the work over the five-year period comes under a number of strategic goals, and it is worth going through that because it underlines how this work is undertaken and why it is so effective.

Firstly, obviously they work to increase the use of under-used and new vaccines by strengthening the country in which they are working—strengthening their decision-making and effectively their democratic processes. Then there is the issue around the health system itself. They work to strengthen the capacity of the health system to deliver immunisation, working in-country with those health professionals to be able to undertake this work. Then
there is the all-important funding and costs. They undertake this in a very diverse and impressive way that has been shown to work, pulling in money from the public and private sectors. There are expectations that different bodies, like the Australian government, will honour their commitment and continue to make that commitment. That is why the response that we have received from the foreign minister is so disappointing.

On the funding issue, they work on increasing the predictability of global financing and improving the sustainability of national financing for immunisation, which rests on being able to predict the money that is coming in. This again goes back to the failure of the Australian government. Then they bring in the issue of vaccine markets to ensure the supply of quality vaccines at low and sustainable prices for developing countries. That overall strategy, that road map that they have developed, has been proven to be saving millions of lives. It was seen that this plan would save four million lives over the five-year period it is rolling out. Yes, it is coming to an end, but we should be there solidly, all the way.

Another voice that has been urging the government to honour this work is the peak body of Australian aid organisations, ACFID. One of their key recommendations identified the need for $225 million for the 2014-16 period to go to the Gavi alliance. They are actually putting that at $75 million. This is an organisation with dozens of aid organisations working in this area that have pooled their understanding and identified the needs in these countries, and they have shown the money that Australia should be contributing. Then on top of that there is $200 million for the Global Fund to Fight AIDS, Tuberculosis and Malaria. *(Time expired)*

Question agreed to.
Korea-Australia Free Trade Agreement, together with the *Hansard* record of proceedings and documents presented to the committee.

Ordered that the report be printed.

**Senator BILYK:** I move:

That the Senate take note of the report.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

**REGULATIONS AND DETERMINATIONS**

**Corporations Amendment (Streamlining Future of Financial Advice) Regulation 2014**

**Disallowance**

**Senator DASTYARI** (New South Wales) (17:15): I move:

That items 1 to 27 inclusive and item 30 of the Corporations Amendment (Streamlining Future of Financial Advice) Regulation 2014, as contained in Select Legislative Instrument 2014 No. 102 and made under the *Corporations Act 2001*, be disallowed.

Here we go again, back in this place, the two sides face to face, once again, arguing for their cause. On one side we have a government minister who has a coalition on his side that is increasingly dwindling, a coalition of groups outside this place from whom he no longer has the support he once had, a group of people who not through want have been trying to squeeze more money out of Australians' bank accounts, sometimes in the name of affordable advice, but more recently we have heard a rhetoric shift, an attempt to tarnish the name of all super funds. On this side of the chamber we have a coalition that involves the Australian Labor Party, a coalition that involves the Greens and includes people like Senator Xenophon and Senator Madigan. We have a broad, eclectic and perhaps unexpected group, a broad coalition of groups who want Australians to have more money in their bank accounts.

I say to the government and the minister, through you, that our broad coalition is growing. Those opposing this government's changes to part 7.7 of the Corporations Act include people like the consumer advocates group Choice, and include representatives of pensioners and retired Australians such as the Council on the Ageing and National Seniors. It includes superannuation funds and super advocacy groups, including Industry Super Australia, the Superannuated Commonwealth Officers' Association and financial counsellors such as Care Financial Counselling Services.

We in the Labor Party are very grateful for the incredible community support we received in this fight from working Australians. We are also grateful for the incredible support we are getting from professional financial planners who are worried that the changes this government is trying to ram through will continue to erode public confidence in their industry and will reduce the professionalism of the industry, seeing the country return to the bad old days of financial advice before the GFC, before the Ripoll report and before FoFA was introduced to improve the disclosure requirements of the Corporations Act, a return to an era where reckless, callous crooks prayed on the savings of unsuspecting Australians, when a handful of individuals besmirched the name and reputation of many good financial counsellors across the country. But over the last week, our broad coalition of those opposing the government's
changes has grown even larger. Last week the Financial Services Council conceded that the financial advice industry needs to take a long, hard look at itself. It finally admitted that greater regulation is needed to give consumers confidence in their profession.

What would we all have given to be on the phone call between Mr John Brogden and the minister? If the media reports are true—they are only reports in the media and they may not be true—the minister became aware that their greatest ally in their fight so far, the Financial Services Council's new reform correct position which they have adopted came to the minister's attention two hours before an embargoed media release was being sent out. What we would have given to have known exactly what was said. The minister has said in this place that it is akin to raising the white flag, that he is disappointed and he thinks the industry should do better. I am sure they are not the words he used in that telephone conversation.

The government has been left to explain why they are on their own. I know that the minister, who has fought for this issue tooth and nail, on behalf of or in support of many of the groups on his side of the debate, is well aware that the support, that the community groups, that the financial services groups and now even the banks are raising major concerns about the direction in which this country is taking us on this issue. The irony is that Senator Williams, who has spoken out about these things in the past when he was permitted to speak out, the chair of the Senate Standing Committee on Regulations and Ordinances, has put his own name to a disallowance motion to oppose the government's new FoFA amendments. There is a very simple explanation for why this is happening. The minister has exceeded his powers under the Corporations Act. He has pushed too far. The legal eagles on the committee made this very clear. The minister's legislation is flawed. It has been rushed into this place to satisfy a handful of big banks and financial planners who still want to offer their sales staff bonuses, who still want to steer unsuspecting customers to their latest product under the guise of financial advice. I say to the minister that, when he gets up here today and when he speaks in this chamber, he does not need to seek leave. He can table the legal advice that he is relying on and that he has been reluctant to hand over to the Senate Regulations and Ordinances Committee.

Dare I say it: there is another great Sydney warrior who has joined our fight in recent weeks and who has his finger on the pulse of retired Australians, especially those in Sydney, who appears to be someone who has recently come on board with this fight, even though he has made comments in the past, opposing this government's callous attempts to take money from the pockets of ordinary Australians. Of course, I am talking about Sydney radio host Alan Jones. This week, he reminded the minister:

You've been heavied … by the banks …

And later:

… you're letting these people loose on poor, unsuspecting old, vulnerable people who've got money.

I say to Mr Jones that, frankly, I could not have put it better myself. I encourage everyone in this chamber to take the opportunity to read the transcript of what was a spectacular interview between Alan Jones and the minister. In fact, I will go on further, because I know how busy everyone is. Mr Acting Deputy President, I seek leave to table a transcript of the interview between Senator Cormann and Alan Jones?

The ACTING DEPUTY PRESIDENT (Senator Whish-Wilson): Is leave granted?
Senator Cormann: Leave will be granted if Senator Dastyari observes the usual courtesies that are habitual in this chamber and if we can have a look at the document that he is waving around. Senator Ludwig would know that that is a well-established practice in this chamber.

The ACTING DEPUTY PRESIDENT: Senator Dastyari, leave is not granted but you may have the chance to do it at the end of your speech.

Senator DASTYARI: Thank you. I will seek leave again at the end of my speech. It is amazing, Senator Cormann, because it is your interview with Alan Jones. I can understand and can appreciate that if that was my interview I would not want people seeing it either.

Senator Cormann: It is on my website.

Senator DASTYARI: That is right. Unfortunately, I may follow you on Facebook, but I do not visit your website that often. If you want to post it this afternoon, I will certainly 'like' the interview.

The ACTING DEPUTY PRESIDENT: Senator Dastyari, I remind you to direct your comments through the chair.

Senator DASTYARI: Thank you, Mr Acting Deputy President, I encourage every one of our friends in this chamber and those poor folks on the other side of the chamber, who have to get up in this place and stand up for their constituents, with their fingers crossed and with reality suspended, pretending that the changes that Minister Cormann is trying to ram through this place will be in the best interests of Australians' bank balances, to take the time, read the transcript of the interview with Mr Alan Jones and listen to what Alan Jones had to say.

These changes are not in the interests of Australians. These changes are only going to benefit a handful of special interests within this debate. And the unfortunate reality is that special interests have so dominated this debate and have so taken control of the government's agenda that there are, increasingly, a number of good, hardworking, decent, financial advisers out there who want to do the right thing, who want to have an industry that they can be proud of and who are increasingly realising that the best way to get public confidence is to make sure there are rules and regulations in place that hold them to a high standard. The reality is that the bulk of financial planners out there are doing the right thing and want to do the right thing. Yes, there are a small group of crooks, criminals and con men who have given the industry a bad name. Frankly, what we in this chamber should be doing is taking whatever steps we can to fight them, beat them and defeat them, not running some kind of regulatory protection racket for them, which is what we are attempting to disallow today.

At the end of the day, it comes down to one big issue and that is: what are your priorities and what are your values? It comes down to which side of the debate do you want to be on? We on this side of the chamber believe we need to be on the side of the consumers, the financial planners and the sectors of the industry that are trying to do the right thing. Yes, if you impose stronger rules and stronger protections it will have an impact, certainly in the short term, on the bottom line of the big financial planning houses. It will have an impact on the bottom-line profits of some of these organisations of which we speak, but it will protect consumers and the financial planners who are out there doing the right thing. And that should be our focus in this place.
The broad coalition that we have out there in the community on this issue is growing and continues to grow. The broad coalition that once began as a few outspoken victims grew to consumer groups and then grew to those representing seniors and others. Now it includes people such as the Financial Services Council and, increasingly, some of the big organisations and the big banks have come to the realisation that there needs to be action and activity and that steps need to be taken in this space.

I say to the minister, whom I have a lot of respect for, that simply because you may have the numbers in this place to exercise an outcome a particular way because of deals that may or may not have been done, it does not make it good policy and it does not make it right. I believe the art of understanding these things in this place is knowing when not to exercise power, simply because you have it. I think the mistake being made here is that you have a minister, a position and a government that is in isolation with what is happening in the community. Yes, they believe—and I suspect that they are correct—they can maintain the numbers to get whatever they want through on this whole FoFA issue. As draconian and as hurtful as they want to be, they have stitched up their deal. We all sat in this chamber while we watched the minister stand up and read out a letter that had been written by the member for Fairfax from the other place, while the member for Fairfax sat there and watched him. We all had to sit and watch that humiliating act and, as a result of that, yes, he probably has the support he needs to do what he wants to do. But it does not make it right. It does not make it in the interest of ordinary Australians. It does not make it in the interest even of the financial planning industry, which itself is coming to the realisation that something needs to happen. Like a Japanese warrior well after the war is over, we have the minister there still fighting the fight, still not recognising things have changed. The industry itself is now crying out and saying, 'Please, we want to have the confidence of the Australian public. For us to be able to achieve that, we need to have greater regulation in place.'

Let me be very clear about this. We will not be backing down in this fight. Let me, through you, Mr Acting Deputy President, address my friends on the crossbenches directly. To Senator Muir from the Australian Motoring Enthusiasts Party, to senators Wang, Lazarus and Lambie from the Palmer United Party, you have been drawn deeply and passionately into this debate. But let me make myself be absolutely understood. No matter what the outcome of this vote, no matter whether this regulation or upcoming legislation passes this House, we will not be backing down on this issue. We will continue to fight, we will continue to make the case, we will continue to go out there and battle on behalf of working Australians, for retired Australians, for young Australians and for anyone trying to improve their financial position. We will fight against the Abbott government, we will fight against the interests of a handful of big banks and we will fight against those in the financial planning industry who think it is good enough for us to return to the good old days of financial planning.

Fundamentally, those of us in this place are privileged. We are privileged to have the opportunities that we have. While we exercise that privilege, we should always remember that there are Australians out there that have not had the opportunities that we have had, that have not been as fortunate as those of us in this place have. I am not saying those in this chamber have not worked hard or have not sacrificed to be here, they have. But they have also been incredibly fortunate. We have a responsibility of those who have not been as fortunate as us. These regulations and, more broadly, the whole-of-government approach is not about helping
those Australians out, it is not about being on this side, and it is not about helping them; no, it is about making sure the interests of a handful of big corporate banks are being protected.

Frankly, it is clear when you see who is on what side of the debate. It is clear when you have the big financial planning institution houses as the only people there. Even they are walking away as quickly as they can from the government. If there is a debate and you are on the wrong side of every single consumer group, every single advocacy group, every single victims group then, surely, you have to question whether that is the right side of the debate to be on.

I say to the minister through the chair: Minister, you are far better than the proposals you have brought into this chamber. You are far better than the legislation you are proposing. Frankly, with the opportunity, the skill and the ability you have, you should be presenting something much better to the Australian people.

I seek leave to table this document.

Leave granted.

Senator LUDWIG (Queensland) (17:33): I note the government does not seem to want to participate in this debate. It does not quite surprise me. I did want to have also the opportunity of listening to Senator Cormann's defence of this poor regulatory legislation to then be able to answer. But Senator Cormann, as always, wants the last word in all of this.

Let us start out with the first word because what the first word is that the provisions of chapter 7 of the Corporations Act aim to promote among other things: confidence and informed decision making by consumers of financial products and services while facilitating efficiency, flexibility and innovation in the provision of those services; and fairness, honesty and professionalism by those who provide financial services.

What concerns me most about these regulations is that they have failed on both of those counts. First, they have not sought to ensure that there would be confidence and informed decision making by consumers. In fact, it does the opposite. It rips the guts right out of them. Second, it does not promote fairness, honesty and professionalism by those who provide financial services. It drags us back to the old days where some financial advisers—not all in the industry—created circumstances which led to awful positions of consumers in the Storm Financial debacle. That was but one debacle but one that I think typifies some parts of the industry. Who suffers out of that? Consumers—mums and dads who have been hoodwinked into providing their financial savings into such schemes.

What role should government play in all of this? It should play an important part. Chapter 7 specifies the twin aims of what roles governments should play. In this instance, this government is not playing that role. This government has decided to ensure that it does not meet its commitments of honesty and fairness for consumers or of professionalism for advisers. What this government has sought to do is to unwind the reforms that were put in place in the twin aims of chapter 7.

The basics of the introduction of Labor's reforms were to restore faith in a sector that was rocked by high profiles collapses and ensure that Australians were getting the best advice possible.

The Abbott government is now seeking to make several changes to the reforms through regulation which remove the catch-all provision for providers to act in the best interests of
their client; add a loophole for advisers that will make this safeguard ineffective; scrap of the opt-in requirement allowing an adviser to continue to charge fees indefinitely without receiving consent from their client; make changes to annual disclosure so that advisers only have to provide annual disclosure to clients who commence with them after 1 July 2013; and lift the ban on conflicted remuneration that will only apply to commissions on general advice which will open the door for a sales-push culture of products over advice.

All of the government’s proposals are about providing, in their words, a certainty for the industry; in fact, it will provide uncertainty. Consumers will be concerned. Consumers will not continue to have the confidence in the market that financial services are in, and that is the sad part of this so-called regulatory reform that Senator Cormann is bringing forward. It does the opposite to what he says it will do: it will not bring stability and confidence to the market; it will bring the exact opposite.

All of the market has now started to examine these proposals—that is why not only consumer advocates such as Choice are decrying the regulation but industry are also adding their voice. They can see that instability will be created by these so-called reforms. I have known Mr Brogden for some time, and he is a person of great integrity. It is not surprising that he would add his voice to the criticism of this regulation when you look at the detail of it.

The government claim that all of their proposals are about certainty for the sector but, ultimately, not for the consumer. That should not surprise us on this side of the chamber when you look at the coalition’s response across many of their portfolios. They are not about the worker. They are not about the consumer. They are not about making sure that there is fairness in the market. They are about ensuring in this instance that the big end of town and the banks will benefit. The so-called reforms of the government take the financial services back years and remove Labor’s hard-won gains to lift standards and ensure providers walk the path to professionalism in this debate.

What is most concerning about the introduction of these changes is the government’s plan to make most of the changes via regulation. That is why we are arguing for a disallowance on these regulations today. The government could have taken the brave way forward and brought through a proper bill to be progressed with a regulatory impact statement—one that Senator Cormann often decries that legislation should have—and submit it to parliament for proper scrutiny. Instead, he did it via regulation. We are not here to talk about the bill, because the circumstances that Senator Cormann has now set up for himself are that he has a bill. The regulations are a stopgap, but he does not know confidently—although, he may want to predict—what the final bill will look like. Therefore uncertainty reigns, because he has wanted to, in his words, act swiftly to deal with this issue.

I think this is a poor way to progress legislation in this parliament and I don't think it speaks very highly of Senator Cormann in this respect. It can create a circumstance where the regulations in this instance largely give effect to amendments that would be made by the bill, but you have the added difficulty of not knowing the outcome of the two houses of parliament yet. You don't know whether there will be amendments that succeed. You don't know what the final shape of the legislation might look like. You may be confident. You may want to predict it, but the Senate is not a chamber I would want to give a lot of predictability and certainty to about some of the outcomes. It may surprise Senator Cormann to find that out eventually.
The Standing Committee on Regulations and Ordinances also belled the cat. Its role exists to report on regulations sought to be introduced by government to ensure sufficient oversight of legislative instruments that they do not undergo the same level of parliamentary scrutiny as bills that pass through parliament. Therein lies Senator Cormann's problem: doing it by regulation omits the scrutiny of parliament. If you do not follow the basic tenet that, if you are going to make substantive changes, you should use parliament to do it rather than try to swiftly use a regulation, you will get tripped up. The regulations and ordinances committee has put up that trip-wire.

As part of its role, it is also a function of the committee to consider whether an instrument contains matters more appropriate for the traditional process of parliamentary enactment. The explanatory statement provided by the government on this regulation states the reasons for the change being introduced via regulation rather than legislation as 'it provides certainly to industry and allows industry to benefit from the cost savings of the changes as soon as possible'.

It has been reported by the committee that enabling a regulated industry to benefit from legislative change as soon as possible is not a sufficient justification to achieve policy change through regulation as this justification can be claimed with respect to any proposal. That means you could always argue: 'I need to change something quickly; therefore, I will do it by regulation.' That is not an argument, not a reason, to bring a regulation in or to underpin it.

It has been reported by the committee that the most concerning thing—to the committee and to me—is that the key element of the regulation involved fundamental change to the primary legislative scheme developed by the Labor government in order to protect consumers during a time of economic uncertainty. In response to the committee's concerns the minister cited the need for—and again we hear this—'swift action'. However, he failed to address the issue that such imperatives may not amount to sufficient justification for effecting significant policy change via regulation.

So Senator Cormann simply argues in the round: 'I need to do this swiftly; therefore, that is the justification that I need to do it swiftly.' The committee says that is not a justification. You can do it by an enactment. The government has regarded it as preferable and convenient to effect policy change via delegated legislation without consideration of the consequences that these changes have on the Australian people. The regulation then is an attempt by the government to rush through its changes in order to favour—Senator Cormann can tell us who it aims to favour. We have already looked at the consumer; it does not benefit the consumer. It leaves us with maybe the big banks, maybe the big end of town, maybe the financial planning industry and the advisers themselves. But that argument was never made to the regulations and ordinances committee. The arguments for bringing in the regulation had nothing to do with the removal of red tape; although, I know that Senator Cormann is wont to argue often that it is about the removal of red tape. But the underpinning of his argument to the regulations and ordinances committee is all about swiftness.

It is a further function of this committee to consider whether an instrument is in accordance with the statute—in this case, the Corporations Act 2001. In response to the committee's concerns on this point, the Minister for Finance and acting Assistant Treasurer informed the committee that the Australian Government Solicitor advised that the regulation has been made in accordance with the specific regulation-making powers in the Corporations Act; however,
the government has conveniently neglected to provide the committee with this advice. This is a government asking the Australian people to place their trust in its hands, only to skimp on the details that show how these changes protect ordinary consumers. I do not think it is deserving of this trust. To demonstrate this point, the regulation is made under a provision of the act which provides that regulations may be made prescribing matters necessary or convenient for carrying out or giving effect to the act.

But let's go back to the reason the regulation was made. Given that the regulations are an 'interim measure'—that is, swiftly done as a stop-gap until such time as we can deal with the bill—a serious question arises as to whether the regulations are permitted by the act. Given that they are clearly not necessary or convenient for carrying out or giving effect to the act, there are no grounds. We would all like to see the Solicitor General's advice. I suspect that Senator Cormann is not going to table that today. I will be interested to see whether the government decides to give them to the regulations and ordinances committee. If they do not do that, I think it makes the case that they have plenty to hide and they have been caught short on this; because, without that advice, Senator Cormann is again asking the chamber to trust him. I do not trust this government at all. They ought to put up or pull out.

The government indicated in its explanatory statement that the regulation is intended to give effect to 'interim changes' until the bill passes the parliament, and the interim changes will then be repealed, following the commencement of the bill. If this isn't a clear warning sign that the government is trying to push through these changes in the quickest way possible and undermine parliamentary process, I don't know what is.

Obviously the government has relied on the 'required or permitted' limb of the general regulation-making power, rather than on the 'necessary or convenient' limb of the power. A serious question arises as to whether the regulations are permitted and, given that the government has not provided the legal advice to underpin the making of the regulation, one can only reasonably conclude that it is outside the power. But this is not all that is wrong with this regulation. In truth the government's legal argument is defective. It is not as bad as what they seek to do in relation to the best interests duty in favour of vulnerable consumers; nonetheless, it is a shocking state of affairs.

The regulation removes the catch-all provision from the list of steps an advice provider may take to satisfy their best interests obligation. Given that removing the catch-all provision is not required by the act, the regulation is again relying on the inapplicable 'permitted' element of the power. That is one example which highlights that it is an impermissible step this government has taken with this regulation in trying to replace what is and should be proper scrutiny by parliament of legislation. Once again, we can see the government's twisted priorities in action; how they want to treat not only the Australian people but their representatives and the parliament here. This regulation and the way it has come forward is an abuse of power. It should fail.

I think those who support Senator Cormann in his actions should at least demand to see the legal advice before making any decision to support him. The impact of this regulation is massive. It is about big banks, big fees, big money and removing protections for ordinary consumers. What this means for mums and dads is that they will again be subjected to poor practices in financial advice and financial services. Senator Cormann wants to hide behind all of that and only deal with it because the government wants to hoodwink the Australian public.
Labor will be firm in upholding the protections Australian consumers deserve. Those who want to sit with Senator Cormann ought to make sure that they are familiar with the advice that he holds to ensure that they do consider this in a proper way. But I think Senator Cormann thinks he has got a deal done.

Senator WHISH-WILSON (Tasmania) (17:53): We are debating a disallowance motion on a set of regulations to weaken financial advice in this country. But what we are fundamentally debating here today is about the government delivering for rent-seeking special interests in this country. It is about delivering for the big end of town. It is also about reducing protections for consumers and shifting the balance in this debate from small business and consumers to big business.

It is also about the late Noel Stevens. Those who saw the Four Corners documentary on issues around the provision of financial advice in this country will remember the very tragic, gut-wrenching story of Noel Stevens. Mr Stevens was phoned by his local branch of the Commonwealth Bank and asked to switch his life insurance policy from Westpac to the Commonwealth Bank. What he did not know was that the teller at the Commonwealth Bank received a referral fee of $444.60 and the bank employed financial planner then received almost twice as much in ongoing commissions. Sadly, only a few months later Mr Stevens was diagnosed with pancreatic cancer. The bank refused to pay his insurance policy. It said he had a pre-existing condition. This is what the Four Corners documentary was about—I am not being sentimental or political, but it was an absolute tear-jerker. Mr Stevens, in his dying days, was still fighting a court case to get the money to pay out his house for his family. After Mr Stevens’ died, a judge found in his favour. He found that the planner did not act in Noel Stevens best interests and that the commissions and kickbacks that were paid to the staff of the Commonwealth Bank might have influenced the advice.

There are two things in that story that relate directly to these regulations today and the laws that were brought in around the Future of Financial Advice. One of them is the idea of conflicted remuneration and the other one is whether financial planners are acting in the best interests of the client. Both of these key critical components of financial advice have been watered down under this regulation and this legislation—not to mention other important factors such as opt-in agreements. I have heard Senator Cormann talk about this. I heard the Alan Jones interview. Senator Cormann has been very clear on record in the Senate during question time that commissions no longer exist. I want to quote Peter Martin, who has covered the story recently in The Age. I have been very impressed by the media coverage of this issue. In the last six months a number of journalists from a number of different media outlets have shown very sophisticated and excellent coverage of these issues surrounding financial advice. This is probably because this has been dragging on for a very long time and a lot of people have come to understand the detail around these issues. Mr Martin said:

Commissions will continue under the changes the Coalition is planning to sneak through. So long as the commissions are part of a "balanced score card" of rewards and so long as the tellers are not making "recommendations" the banks will be in the clear.

But it’s easy to get confused.

The regulations and the legislation that will no doubt come back to this House are very complex and difficult to understand. I used to work in this industry. I have been a banker. I have been a financial planner. I find it very complex and difficult to understand. Alan Kohler
is another journalist who has followed this issue very closely, and he has put this in better words than I possibly could. In an article for *The Australian* he said:

In other words, the government is deliberately constructing an absurdly complicated set of regulations designed to allow banks to continue using advisers/planners to sell their superannuation and wealth products.

The word 'sell' is very important here. As I have pointed out in this chamber before, the banks in this country have in recent decades undergone radical changes in the way they have structured their business models. They have become vertically integrated. That means, apart from having savings accounts and basic financial investment products, they have moved down the value chain—or up the value chain, depending on which way you want to look at it—into the area of the provision of financial advice. They have manufactured products and distributed their products across their networks—and they have made a lot of money out of this. One reason the banks have been so profitable in this country is that they have been able to generate what is called non-interest income. They make interest out of deposits in savings accounts—it is about the difference in margins between the rate they borrow money at and what they pay out in interest—but they make most of their money from the sale of financial products.

As Senator Ludwig has just said, the government first put through legislation before 30 June and, knowing that it was going to fail, they rushed in regulations. The question is: why rush this now? Why bring back legislation now?

My understanding is that if these regulations are not disallowed today they are in place till mid next year. So why are we looking at this legislation coming back? There are a couple of reasons. First and foremost, during the Senate inquiry into the FoFA regulations evidence was provided by the Australian Bankers Association, who cover the big end of town, that they had an expectation that the government would deliver these changes to FoFA. They had an expectation. That smells like a deal to me. They had done a deal; whether it was with Senator Cormann or with Senator Sinodinos prior to Senator Cormann I do not know, but they had an expectation. They were not happy with the FoFA laws. Rather than adapt their back office, their compliance systems, to cope with the changes that were going to be brought through in FoFA they lobbied against them instead. So confident were they that these FoFA changes would be put into law by 30 June they risked their back office systems and potential costs of hundreds of millions of dollars. That is how confident they were that the government would deliver the changes. And it did. It rushed them through on a Sunday afternoon. On 29 June the regulations came into effect, while we were all out of this building. That might just be a coincidence, Senator Cormann, but the evidence we received in the Senate inquiry was that the Australian Bankers Association were very confident that you were going to deliver these changes for them.

These changes are opposed by a broad group of stakeholders across this country. Consumer groups oppose them. Pensioners oppose them. A number of interests within the financial services industry also oppose them. The question is: what were the FoFA laws originally designed to do? They were originally designed to bring back into the financial services industry the confidence and trust that was lost through a series of financial scandals. Only recently, thanks to the Senate Economics Committee's ASIC inquiry, we have uncovered a lot more information around financial scandals. That made it doubly important to put through the
FoFA laws in the way there were originally designed. Of course not everyone is going to be happy with a regulation. According to the government the original FoFA laws were as they were because Bill Shorten was delivering for his union mates in the industry super funds. That is not a good enough argument for changing a set of laws, on which there have been years of consultation, that have been years in the construction and that have been designed to rebuild trust and confidence in the financial services industry.

The Greens came up with what we thought was a very good compromise on this. That was that the full FoFA laws should be passed through parliament and that, after a period of time, an independent review process should occur to assess whether there was going to be an increase in costs and red tape and all these arguments that Senator Cormann has talked about. A number of these laws have not even come into effect yet. There is no evidence about the losses from these laws. What we know and what is becoming increasingly clear is the challenge that the FoFA laws will confront by the vertically integrated big financial services companies. The second reason that I consider this is rushed is that David Murray, ex-CEO of the Commonwealth Bank, is delivering a wide-ranging, broad spectrum, hopefully very comprehensive set of recommendations around the financial systems inquiry in this country, which will look at all these issues in detail. The interim information we have received is that he is taking seriously the issue of vertically integrated business models. Going back to Noel Steven, these products, where products are sold on a volumes basis, still exist. Why rush this legislation back in? Let us get rid of it by supporting this disallowance motion so these things can be properly incorporated into any new legislation.

We also understand that the Australian Securities and Investments Commission is also looking at issues around the provision of financial advice and has been doing studies on this. That also has not been released yet. Given that we need to incorporate information into our decision making to get the policy right and to get the legislation right, why are we rushing legislation back into this house? We should support this disallowance motion today so that we as parliamentarians have the chance to get it right and incorporate in the legislation these current reviews into the financial services industry that are underway.

I would like to get on the record today that financial services and financial planning are critically important to this country, not just to individuals who are learning how to manage their own finances, many of them struggling, many of them battlers, many of them saving for their retirement, helping out their families not just for their private benefit but for the public good. When we have that wealth underpinning our economy and our society it impacts the decisions we make, what we consume and how we invest. The more people in this country who get financial advice the better off this country is going to be. There are a number of very good financial planners and investment advisers in this country. In fact, the big majority of them are excellent and they do the right thing. However, unlike what Senator Cormann has said previously, this is not a situation where we are talking about a few bad eggs. This is a situation where in the large financial service companies there is a sales based culture that is supported by their business models. I go back to the information that has come out of the ASIC inquiry.

I am going to quote another journalist who is doing an excellent job on this, Adele Ferguson at the Age. She wrote:
The structural flaw in the system is an estimated 80 per cent of the country's planners are either employed by or aligned to the big four banks and AMP. It is akin to a doctor being on the payroll of a drug company. ... In a nutshell, in the vertically integrated model the institution gets fees and volume rebates from the financial planners for selling the product, they receive big bucks from the administration of the platform and they earn money at the funds management level.

She then goes on to talk about Jeff Morris, the CBA whistleblower, who gave evidence at the Senate inquiry:

Morris is adamant dodgy Don Nguyen was not a rogue planner—
He was the gentleman who was pursued—
but part of a fundamentally flawed, vertically integrated sales system, which uses financial planners to push their financial products on to their customers.

Morris believes that as long as these businesses remain vertically integrated, the "product-flogging" imperative will prevent financial planning from making the transition to a true profession.

That is what we all want to see.

We do want to see this become a true profession in the sense that all Australians are confident to go and receive financial advice. We owe it to the financial planners and investment advisers in this country to uphold these FoFA laws, give them a go, restore confidence and trust in the system and then all Australians will be better off. The Greens will be supporting this disallowance motion.

Senator XENOPHON (South Australia) (18:08): I indicate that I will be confining my remarks to under four minutes for reasons of procedural fairness the Finance Minister should at least state the government's case in respect of this disallowance motion. I think that is the fair thing to do.

I will be supporting the disallowance of these regulations for two reasons. Firstly, I do not support the government's proposed changes to the Future of Financial Advice measures introduced by the previous government. Secondly, significant concerns have been raised by the Scrutiny of Bills Committee and the Senate Standing Committee on Regulations and Ordinances relating to the measures contained in the regulations and whether they be more appropriately established in legislation.

On the first point, I want to make it very clear that I do not support the government's moves in relation to FoFA. It is my view that the government's bill is a step backwards in terms of consumer protection and is too focused on getting industry what it wants without balancing out consumer interest. As both committees have noted, the expenditure statement for this instrument justifies making the FoFA amendments through regulation rather than legislation to provide certainty to industry as soon as possible. That is what it says. Thankfully, neither committee has accepted this as a valid reason to deal with such issues through regulation instead of legislation. To me this is a pretty poor justification for these regulations which makes it very clear that, I fear, the government has been putting industry certainty ahead of consumer protection. I suggest that that the financial services industry is big enough and ugly enough to look after itself and that consumers are the ones government should be providing with certainty and adequate protections.

I agree with both committees and I believe it is not appropriate for the government to use regulatory-making powers to introduce these measures. I also do not support the measures
themselves. I believe they are a significant step backwards in terms of scrutiny, accountability and consumer protection. This is particularly true in relation to the modifications of the best-interest duty and the payment of commissions. I look forward to discussing my concerns in greater detail when this bill is debated, but in essence I cannot support these changes. For both of these reasons—the provisions themselves and the suitability of establishing them in regulation—I will be supporting this disallowance.

Finally, I plead with my crossbench colleagues—the Palmer United Party senators and Senator Muir from the Motoring Enthusiasts Party—to support this disallowance and to consider deferring supporting any legislative changes to the FoFA legislation until we hear further from David Murray and his financial services inquiry and until we see what ASIC says in a report that is due to be tabled and released, I understand, within the next few days on the life insurance industry that crosses over some of these issues about disclosure. There is some common ground there, and we need to heed that. I ask that we deal with this cautiously and expeditiously, and that is why I support the disallowance of these regulations. I think that is the prudent and cautious step to take and, having spoken for three minutes and 20 seconds, I think it is fair for the finance minister to have a say, but, of course, that is your call, Madam Acting Deputy President.

**Senator CORMANN** (Western Australia—Minister for Finance) (18:12): I thank all senators who have participated in this debate. Let me just make clear again right up front that the government's improvements to our financial advice laws are designed to ensure that people across Australia, who are saving for their retirement and managing financial risk through life, can access more affordable, high quality advice. Senator Whish-Wilson mentioned again, as he did in July, that the government was somehow rushing these changes through. Nothing could be further from the truth.

When the previous government introduced and passed through the parliament their Future of Financial Advice law changes back in March 2012, we were very clear and put the coalition policy on the record then and there. We said there were a lot of things in those reforms that we supported, but there was also a range of things where we thought the previous government went too far in imposing excessive and unnecessary additional red tape which pushed up the cost of advice without actually offering additional consumer protection benefits. If elected to government, we said we would improve those laws to remove all of the unnecessary and costly red tape that pushed up the costly advice, but we would keep all of the important consumer protections that matter to consumers—such as the requirement for advisers to act in the best interests of clients or such as the ban on conflicted remuneration. That is exactly what we have done.

It has been more than a year now since the last election—the election was in September 2013—and in that period we have released an exposure draft of our legislation to deliver on our pre-election commitments to people across Australia saving for their retirement. We have also introduced legislation into the parliament which has been subject to two Senate inquiries, and both the Senate inquiries recommended passage of the improvements that the government put forward. Any suggestion that somehow the government is rushing things here is just completely ridiculous.

We have to remember where this all started. It is true that this all started with the Ripoll inquiry, so-called, into Australian financial products and services. That was actually a very
good inquiry. It was an inquiry that was conducted in a bipartisan spirit. The recommendations that came out of that inquiry were supported in a bipartisan way. If the then Labor government and the then Minister for Financial Services, Mr Shorten, had stuck to implementing the recommendations which were made by that inquiry, we would not be having this discussion today. But Mr Shorten went a series of steps further than what was recommended by Mr Ripoll. The reason for this was that he was being egged on by union-dominated industry funds, in particular the Industry Super Network.

Mr President, I will just give you one example: Mr Ripoll, in the Ripoll inquiry report, never recommended introducing a requirement for investors to re-sign contracts with their advisers on a regular basis. The Ripoll inquiry received more than 400 submissions—and guess how many submissions proposed the introduction of the so-called opt-in requirement? Somebody give me a guess: how many submissions, out of more than 400 submissions, recommended that particular change? There was only one. And I invite the chamber to guess where that submission came from—it was from the Industry Super Network, which suggested that the Gillard Labor government should make Australia the world champion in financial services red tape by imposing this requirement. Incidentally, the industry super funds also said, ‘make sure you exclude us from the scope of that requirement, so that when we provide intrafund advice, not only do we not have to disclose the fees that we charge—they can be bundled into an overall admin fee—but also we will not have to offer even the opportunity for people to opt out from that fee’. People do not know that they are paying the fee. They pay the fee irrespective of whether they access the advice or not. So Bill Shorten, as Minister for Financial Services, was doing special deals left, right and centre.

What is our objective with what we are doing here? The changes that we are making are not actually that dramatic. If you listen to the speeches by Senator Dastyari and Senator Whish-Wilson, you would think that we were going back to the Dark Ages somehow, with the changes that we are making. Let me just quickly take the chamber through the changes that we are actually making. As I always said we would do, we are removing the requirement to keep re-signing contracts on a regular basis—because that is unnecessary, additional red tape which does impose a cost, and that cost ultimately comes out of people's retirement savings, in the way of additional fees. Senator Ludwig talked about regulatory impact statements; well, guess what? The previous government did not do a regulatory impact statement on their changes, but we do know that their changes cost $750 million to implement, and $350 million per year, ongoing, in additional compliance costs. The changes that we have been putting forward—the changes which we put forward first in a regulation and which are now currently working their way through the parliament in the form of legislation—are delivering $190 million in savings by reducing unnecessary and costly red tape—that is, $190 million in savings every year. And—for all of us in this chamber—our objective should be that our financial services sector is as efficient, as transparent and as competitive as possible, so that competitive tensions force financial service providers to bring down the cost of providing advice, so that people across Australia—who are saving for their retirement and managing financial risks through life—can access financial advice and can do so in the most affordable way possible, and so that as little money as possible comes out of their savings to pay for all the unnecessary compliance costs. That is what we are all about.
The other suggestion that has been made, quite dishonestly, at various times by people during the debate over the last few months is that somehow we are getting rid of the requirement for advisers to act in the best interests of clients. That is just not true. The requirement for financial advisers to act in the best interests of their clients remains in the Corporations Act. It remains unchanged, in section 961B of the Corporations Act—as does the requirement for the adviser to provide advice that is appropriate, in section 961G; as does the requirement for an adviser to provide a warning if there is any incomplete or inaccurate information, in section 961H; as does the requirement for an adviser to prioritise their client's interests ahead of their own, in section 961J; and as does the requirement for licensees to ensure that their representatives are complying with these sections, in section 961L. So the proposition that, somehow, we are getting rid of the requirement for advisers to act in the best interests of their clients is wrong. We have clearly demonstrated that it is wrong. And, Madam Acting Deputy President, if you look at the agreement that we have reached with the Palmer United Party and the Australian Motoring Enthusiasts Party, as supported by Family First and by the Liberal Democrats, you will see that one of the features of that agreement is that we are introducing a requirement in the amended legislation to ensure that, in the statement of advice, there has to be an explicit mention of those obligations in the Corporations Act on the adviser.

Then there is the suggestion that somehow we are bringing back conflicted remuneration. That is not true either. Again, don't take my word for it. I have listened to the speeches by Labor and Greens senators. Labor and Greens senators usually have a very high regard for the ABC, but ABC Fact Check has looked very closely at the claims that were made by shadow treasurer Bowen. ABC Fact Check identified those claims as being false and inaccurate. They said that those claims were 'scaremongering'. These are not my words; these are the words of ABC Fact Check—that the shadow treasurer, Mr Bowen, was scaremongering. During the debate here, people have said, 'but people can still be paid when they provide advice'. Well, I did not think that the objective was to abolish all remuneration. But what we have supported all the way through, and what we have made even more explicit in these regulations which have been in effect since 1 July, is that any remuneration which would conflict the advice given is banned and continues to be banned. Mr Shorten actually said that where incentive payments do not conflict the advice given, they will be permissible. Well, I agree with him. That is what he said in his second reading speech, when he introduced the legislation. But somehow, now when we say, 'well, we agree with that proposition', we are going back to the Dark Ages! It is just completely false.

Various senators, including Senator Whish-Wilson, made reference to the events that have been widely reported in relation to activities by Commonwealth Bank financial planning. They are terrible stories; I agree with you, Senator Whish-Wilson. But they are stories in relation to a period between 2003 and 2012—that is, before the changes that were passed—with the support of the coalition—by this parliament. The best interest duty remains. The ban on conflicted remuneration remains. What we have done—and what these regulations do and what the legislation, which has been supported by two Senate committees, will do—is do away with unnecessary and costly red tape which pushes up the cost of advice wherever the previous government imposed it.
Everybody can come into this chamber and point to problems, and we can all agree that a particular circumstance is a serious problem, but the question is not whether we agree on whether something is a problem. The question is: how do we best fix the problem? Just because we agree that there is a problem does not mean that whatever you do makes things better. As policymakers, we have a responsibility to ensure that, when we try to deal with a problem, we make things better, not just more complex and more expensive. I know that it is a hard argument. I know that it is much easier to say, 'There is a problem—let's put in more red tape, let's give more powers to X, Y and Z and let's throw more money at it.' That is the easy, lazy way to go about things. We are going the harder road—I understand that—but we are going the road that is good for consumers and we are going the road that is in the public interest.

We believe Australia needs to have a regulatory system in place for the financial services sector that is robust but efficient, that is competitively neutral and that does not try to favour one segment of the financial services market by using regulatory power to try and give that sector a competitive leg-up against other sectors of the financial services market. That is exactly what then Minister Shorten did. He was totally driven in everything he did by giving a competitive advantage to one sector of the financial services market; whereas we believe that it is in the public interest to have a robust and efficient regulatory system in place that is competitively neutral, whereby Australians saving for their retirement and managing financial risks through life can have access to high-quality, affordable advice that they can trust.

What else are we doing? We are saying that we support annual fee disclosure requirements, which come on top of the fee disclosures that are already required to be provided by product providers. We support additional annual fee disclosure requirements by financial advisers, but we do not think that they should be imposed retrospectively. When you make a new change, that should be a prospective change, because if you impose that change retrospectively then you impose an excessive and unnecessary cost burden. That is not fair, it is not reasonable and it is not good public policy.

We also had to fix a couple of technical issues created by the Labor Party in their rush to get changes through. Talk about a rush, Senator Whish-Wilson—the Labor Party was always in a rush when it came to the Future of Financial Advice changes. The Labor Party has been on the record in opposition as saying that there is a need for some changes to the grandfathering arrangements. In fact, when we last spoke about this disallowance in July, that same afternoon, at the last minute, quite desperately, shadow Treasurer Bowen and the shadow minister for financial services, Mr Ripoll, for whom I have a very high regard, wrote me a letter saying, 'By the way, maybe we can do a deal.' They were complaining about the deal that we did with the Palmer United Party, the Australian Motoring Enthusiast Party and various other senators on the crossbench, but the Labor Party wanted to do a deal too. In that letter, they said: 'We agree that your changes to grandfathering arrangements are sensible. We think that if we could agree to make those changes only then we could come to an understanding.' I did not hear Senator Dastyari or Senator Ludwig today acknowledge that Labor stuffed up when it came to the grandfathering arrangements. I did not hear Senator Ludwig or Senator Dastyari explain to the chamber today that there were issues in terms of the impact on stockbrokers and the like of some of their ill-thought-out changes, which we have tidied up.
We are looking after the public interest. We are not doing anybody's bidding other than looking after the public interest. Of course, what we did over an extended period of time was assess all of the facts and be part of all of the Senate committees and all of the parliamentary joint committee inquiries over the last parliament. We have also monitored very closely all the discussions in more recent inquiries, and we have made judgements in the public interest.

Some people have made observations in relation to the notice of disallowance that was given by the Standing Committee on Regulations and Ordinances last week. I used to be a member of the regulations and ordinances committee and I know that we used to give these notices all the time; it is part of Senate housekeeping. When the regulations and ordinances committee want to give themselves some more space to have a longer look at something, that is what they do. They give a notice just before the expiry of the 15-sitting-day period asking some more questions of the government, which of course the government will respond to. We believe that we have all of the answers that are required to satisfy the regulations and ordinances committee. If there were any remaining concerns, they would be addressed on an ongoing basis as soon as the Senate has dealt with the legislation.

May I say again that the legislation to implement the commitments that we made in the lead-up to the last election has now been considered by two Senate economics committee inquiries—one which reported on 16 June and one which reported in late September. Both of those inquiries by the Senate economics committee recommended passage of the legislation implementing our improvements to the Future of Financial Advice laws.

I cannot remember whether it was Senator Ludwig or Senator Dastyari, but one of them said that we are making draconian changes. Let me remind the chamber that we are removing the requirements to keep re-signing contracts because we believe, fundamentally, that every Australian is entitled to decide whether he or she wants to enter into a short-term, a long-term or an ongoing contract. People across Australia are big and strong enough to make their own judgements as to whether they want to enter into a one-year contract, a two-year contract, a five-year contract or an ongoing contract. People across Australia, having access to transparent information, will be able to make judgements on whether or not they perceive that they are receiving value from a particular service provider. That is fundamentally what I believe. By making sure that we do not have this additional compliance burden which makes us the world champions in red tape, we are taking cost pressures out of the system, which will leave people saving for their retirement with more money in their own pocket and more money in their nest egg.

May I say to the chamber that this disallowance motion ought to be defeated because it is not in the public interest for the excessive changes that were pursued by the previous government, in excess of the recommendations of the Ripoll inquiry, to remain. The changes the government made were sensible and they are indeed in the public interest. I commend them to the chamber.

That the PRESIDENT: The question is that the disallowance motion moved by Senator Dastyari be agreed to.
The Senate divided. [18:34]
(The President—Senator Parry)

Ayes .....................32
Noes .....................34
Majority ...............2

**AYES**

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Question negatived.

NOTICES
Presentation
Senator Rhiannon, Senator Payne, Senator Moore and Senator Lazarus to move:
That the Senate—
(a) notes:
   (i) that the National Rugby League (NRL) grand final, to be held on Sunday 5 October 2014, between the two great clubs, South Sydney and Canterbury-Bankstown, will bring outstanding entertainment to thousands of supporters around the world, 
   (ii) the importance of family friendly scheduling for future grand finals, and
   (iii) the importance of sport to the good health of the nation; and 
(b) thanks the NRL players for another outstanding season of exciting football.

COMMITTEES
Human Rights Committee
Report
Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (18:38):
On behalf of the Chair of the Parliament Joint Committee on Human Rights, I present the 13th report of the 44th Parliament of the committee on the examination of legislation in accordance with the Human Rights (Parliamentary Scrutiny) Act 2011.
Ordered that the report be printed.

Senator FAWCETT: I seek leave to incorporate a short statement in Hansard.
Leave granted.
The statement read as follows—
Parliamentary Joint Committee On Human Rights Chair's Tabling Statement
Wednesday 1 October 2014
I rise to speak to the tabling of the Parliamentary Joint Committee on Human Rights' Thirteenth Report of the 44th Parliament.

This report provides the Parliamentary Joint Committee on Human Rights' view on the compatibility with human rights as defined in the Human Rights (Parliamentary Scrutiny) Act 2011 of bills introduced into the Parliament during the period 22 to 25 September 2014 and legislative instruments received during the period 6 to 12 September 2014. The committee has also considered responses to the committee's comments made in previous reports.

The committee considered 11 bills, all of which were introduced with a statement of compatibility. Of these 11 bills, ten do not require further scrutiny as they do not appear to give rise to human rights concerns. The committee has decided to defer its consideration of five bills.

The committee has identified one bill that it considers requires further examination and for which it will seek further information.

Of the bills considered, those which are scheduled for debate during the sitting week commencing 30 September 2014 include:

the Automotive Transformation Scheme Amendment Bill 2014
the Australian Transaction Reports and Analysis Centre Supervisory Cost Recovery Levy Amendment Bill 2014
the Australian Transaction Reports and Analysis Centre Supervisory Cost Recovery Levy (Collection) Amendment Bill 2014
the Australian Education Amendment Bill 2014
the Rural Research and Development Legislation Amendment Bill 2014
the Aged Care and Other Legislation Amendment Bill 2014
the Health and Other Services (Compensation) Care Charges (Amendment) Bill 2014 and
the Private Health Insurance Amendment Bill (No. 1) 2014

The report outlines the committee’s assessment of the compatibility of these bills with human rights – and I am pleased to report all these bills do not raise any human rights concerns.

I would like to draw Senators’ attention to one bill in this report which is of particular interest and relevance to the committee’s task of assessing legislation for compatibility with human rights – the National Security Legislation Amendment Bill (No. 1) 2014.

In its report the committee notes that the statement of compatibility prepared by the Attorney-General’s Department identifies a number of human rights engaged by the bill. However, the statement of compatibility does not provide sufficient information on each proposed measure for the committee to presently and fully assess the compatibility of the bill with Australia’s human rights obligations.

As had been previously stated, the committee requires a reasoned and evidence-based assessment of whether a proposed limitation is reasonable, necessary and proportionate to achieving a legitimate objective. In the absence of detailed information in relation to the proposed measures it will be difficult for the committee to conclude that the proposed measures are compatible with human rights.

For this reason, the committee is seeking further information from the Attorney-General’s Department in relation to the engagement of a number of human rights, such as the right to be free from arbitrary detention, the right to an effective remedy, the right to freedom of expression, the right to freedom of movement and the right to a fair trial.

The committee is particularly disappointed the Attorney-General’s Department has not given sufficient attention to the expectations set out in the committee’s Practice Note 1 which states “the committee relies on the statement to provide sufficient information about the purpose and effect of the proposed legislation, the operation of its individual provisions and how these may impact on human rights … the committee expects statements to set out the necessary information in a way that allows it to undertake its scrutiny tasks efficiently. Without this information, it is often difficult to identify provisions which raise human rights concerns in the time available.”

I note that the Parliamentary Joint Committee on Human Rights is not the only legislative scrutiny committee to have raised issues in relation to the bill. The Scrutiny of Bills Committee previously raised a number of concerns with the Attorney-General and, promisingly for our deliberations, received a comprehensive response in relation to these concerns.

It is important to note that any characterisation of human rights as being in opposition to national security is inaccurate and also unproductive. Parliamentary committees such as this one have a critical function in ensuring there is the right balance struck between national security and human rights.

Indeed, Australia’s current membership of the UN Security Council requires us to exercise important leadership in advancing both international peace and security, and at the same time advancing the protection of national security and human rights on the global stage.

With these comments, I commend the committee’s Thirteenth Report of the 44th Parliament to the Senate.
MINISTERIAL STATEMENTS

Ukraine Air Disaster

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (18:38): On behalf of the Minister for Foreign Affairs, Ms Bishop, I table a ministerial statement and related document on Malaysia Airlines flight MH17.

COMMITTEES

Certain Aspects of Queensland Government Administration related to Commonwealth Government Affairs Committee

Education and Employment Legislation Committee

Membership

The ACTING DEPUTY PRESIDENT (Senator Peris) (18:39): The president has received letters from party leaders requesting changes in the membership of various committees.

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (18:39): by leave—I move:

That senators be discharged from and appointed to committees as follows

Certain Aspects of Queensland Government Administration related to Commonwealth Government Affairs—Select Committee—

Appointed—

Senators Ketter, Ludwig and Macdonald

Participating members: Senators Back, Bernardi, Bushby, Canavan, Edwards, Fawcett, Heffernan, McGrath, McKenzie, O’Sullivan, Reynolds, Ruston, Seselja, Smith and Williams

Education and Employment Legislation Committee—

Appointed—

Substitute member: Senator Waters to replace Senator Rhiannon for the committee’s inquiry into the provisions of the Higher Education and Research Reform Amendment Bill 2014

Participating member: Senator Rhiannon.

Question agreed to.

BILLS

Australian Transaction Reports and Analysis Centre Supervisory Cost Recovery Levy Amendment Bill 2014

Australian Transaction Reports and Analysis Centre Supervisory Cost Recovery Levy (Collection) Amendment Bill 2014

First Reading

Bills received from the House of Representatives.

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (18:40): 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 CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (18:41): I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

AUSTRALIAN TRANSACTION REPORTS AND ANALYSIS CENTRE COST RECOVERY LEVY AMENDMENT BILL 2014

The Australian Transaction Reports and Analysis Centre Cost Recovery Levy Amendment Bill 2014, in conjunction with the Australian Transaction Reports and Analysis Centre Cost Recovery Levy (Collection) Amendment Bill 2014 alter the current arrangement for industry contribution to the Australian Transaction Reports and Analysis Centre (AUSTRAC).

The bills transition AUSTRAC from its current cost recovery arrangements, which apply only to its regulatory function, to a model that enables an industry contribution to AUSTRAC’s dual role as Australia’s AML/CTF regulator and financial intelligence unit.

The Government recognises that money laundering and terrorism financing pose a significant threat to Australia's security and prosperity. We are determined to protect the Australian community and businesses from the economic, social and national security impacts of terrorism and organised crime.

A robust anti-money laundering and counter-terrorism financing regime is essential for Australian businesses to remain competitive in the global market and to ensure financial integrity and stability.

AUSTRAC's purpose is to protect the integrity of the financial system and contribute to the administration of justice through its expertise in countering money laundering and the financing of terrorism. This purpose is achieved through the exercise of its two interdependent functions – as a regulator and as Australia's financial intelligence unit.

As a regulator, AUSTRAC works with the businesses it regulates to enhance the level of understanding of anti-money laundering and counter-terrorism financing obligations, and supervise compliance with the requirements of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006.

Regulated businesses provide services that are vulnerable to exploitation for money laundering and terrorism financing purposes, creating the need for regulation by AUSTRAC. It is appropriate therefore that industry meet the costs of regulatory systems that ensure the integrity of their operating environment.

As Australia's financial intelligence unit, AUSTRAC collects and analyses financial data to produce high quality financial intelligence.

This financial intelligence is then provided to state, territory and Commonwealth law enforcement, security, social justice and revenue agencies as well as certain international counterparts. The information can assist AUSTRAC’s partner agencies to investigate and prosecute criminal and terrorist enterprises in Australia and overseas. Whilst the use of the information is predominantly by partner agencies, it serves to strengthen the integrity of Australia's financial system, creating a secure and stable operating environment for Australian business to operate and thrive.
This bill, together with the Australian Transaction Reports and Analysis Centre Supervisory Cost Recovery Levy (Collection) Amendment Bill 2014, implements the new industry contribution arrangements announced by Government as part of the 2014 budget.

The bills replace the existing 'Supervisory Cost Recovery Levy' which currently funds AUSTRAC's regulatory activities. The new industry contribution model outlined in these bills will fund both the regulatory and financial intelligence unit functions of AUSTRAC.

The new industry contribution regime provides a number of efficiency and deregulatory benefits for business, particularly small businesses. The new arrangements reduce red tape as they are considerably simpler for reporting entities to understand than the complex 'cost recovery' arrangements currently in place. This in turn reduces costs as the industry contribution model is more streamlined for AUSTRAC to administer.

Approximately 3000 reporting entities will no longer be required to pay the AUSTRAC Industry Contribution levy. The number of reporting entities required to pay the industry contribution is estimated to be less than 900 entities. This represents a meaningful step in reducing the burden on small business.

The bills also set out a number of safeguards to ensure that over-recovery does not occur. Despite the industry contribution model, AUSTRAC will not be able to determine its own budget. AUSTRAC's budgeted appropriation will continue to be set by Parliament through the budget process. The contribution will then be invoiced based on AUSTRAC's budget for the upcoming financial year, as set out in the budget papers. Any subsequent Government appropriation throughout the financial year will form a component of the industry contribution by way of a further instalment from reporting entities.

The bill sets out that the amount of the contribution is capped at twice the budgeted appropriation for AUSTRAC in a financial year. While the goal is to match the amount of contribution to the budgeted appropriation for each year, appropriations late in a financial year may necessitate allowing payment in the next financial year to ensure regulated business have sufficient time to pay. For this reason the statutory cap is not matched exactly to the budget appropriation.

Under the arrangements set out in the 2014 Budget, the industry contribution will be calculated as a percentage of AUSTRAC's operating costs, at a rate of 70% in this financial year (2014-15), moving to 90% over the next two financial years (2015-16 and 2016-17), and finally reaching 100% from the 2017-18 financial year onwards.

These amounts will be set each year via a ministerial determination which also sets out the calculation model. The calculation model will be set with reference to the number of businesses liable for the payment, and the budget allocated by Parliament to AUSTRAC.

An independent review of the calculation methodology is required after four years. The review will be conducted in close consultation with industry.

This bill will ensure that AUSTRAC continues to provide a regulatory and intelligence environment that maintains community confidence in financial flows, and minimises the risk to business of exploitation for money laundering or terrorism financing.

AUSTRALIAN TRANSACTION REPORTS AND ANALYSIS CENTRE COST RECOVERY LEVY (COLLECTION) AMENDMENT BILL 2014

The Australian Transaction Reports and Analysis Centre Cost Recovery Levy (Collection) Amendment Bill 2014 (the Collection Bill), in conjunction with the primary bill, the Australian Transaction Reports and Analysis Centre Cost Recovery Levy Amendment Bill 2014, alters the current arrangement for industry contribution to the Australian Transaction Reports and Analysis Centre (AUSTRAC).

The bills implement the new industry contribution arrangements announced by Government as part of the 2014 budget, and transition AUSTRAC from its current cost recovery arrangements, which apply
only to its regulatory function, to an industry contribution model that enables an industry contribution to AUSTRAC’s role as a financial intelligence unit.

The bill sets out a number of operational arrangements necessary to administer the industry contribution. This includes: creating the liability for a leviable entity for a given financial year to pay the industry contribution levy in that financial year; allowing the AUSTRAC CEO to specify the date for payment of instalments of the levy; and setting out late payment penalties.

The bill also sets out the requirement for an independent review of the operation of the levy as soon as possible after the fourth anniversary of the commencement of the Collection Act. This review, to be undertaken in close consultation with industry, will ensure that the operation of the new industry contribution, including the methodology used to calculate instalments of the levy and the impact of the levy on industry, is appropriately evaluated. It will also provide the opportunity for improvements to the arrangements, if warranted.

This bill, together with the Australian Transaction Reports and Analysis Centre Cost Recovery Levy Amendment Bill 2014, will ensure that AUSTRAC continues to provide a regulatory and intelligence environment that maintains community confidence in financial flows, and minimises the risk to business of exploitation for money laundering or terrorism financing.

Ordered that further consideration of the second reading of these bills be adjourned to the 27 October 2014, in accordance with standing order 111.

**Fair Entitlements Guarantee Amendment Bill 2014**

**First Reading**

Bill received from the House of Representatives.

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (18:42): 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 CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (18:42): 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—*

**FAIR ENTITLEMENTS GUARANTEE AMENDMENT BILL 2014**

Today I rise to introduce the Fair Entitlements Guarantee Amendment Bill 2014.

This bill will make some changes to the Fair Entitlements Guarantee scheme to not only ensure its smooth operation, but importantly, its future sustainability.

The Fair Entitlements Guarantee is a basic payment scheme of last resort that covers certain unpaid employment entitlements when employees lose their job through the liquidation or bankruptcy of their employer. The scheme is the successor to the General Employee Entitlements and Redundancy Scheme, or GEERS, which was introduced in 2001 by the Howard Government to protect employee entitlements.
This government supports the Fair Entitlements Guarantee. After all, it was the Howard Government which introduced protection for employees' entitlements, the first time any Commonwealth government had done so. The Fair Entitlements Guarantee provides protection for Australian workers who have earned and accrued entitlements. The Fair Entitlements Guarantee pays those entitlements, where, through no fault of the employees, the employer enters bankruptcy or liquidation and cannot pay the entitlements themselves.

Over time, the costs borne by the scheme have increased significantly. Demand has increased from 8,626 claimants being paid $72.97 million in 2006-07 to 16,019 claimants being paid $261.65 million in 2012-13. This trajectory of increase in the cost of the scheme is not sustainable. To ensure the future sustainability of the scheme, changes must be made.

The Fair Entitlements Guarantee currently provides assistance for redundancy pay entitlements up to a maximum of four weeks' redundancy pay per year of service, with no cap on years of service. This level of protection is very generous by community standards. It creates a moral hazard - it provides an incentive for employers and unions to sign up to unsustainable redundancy entitlements, safe in the knowledge that if the company fails, the Fair Entitlements Guarantee and the Australian taxpayer will pay for it.

To secure the financial sustainability of the scheme, the Bill will re-instate the previous 16 week cap on redundancy payments made under the scheme, which will apply to employer liquidations or bankruptcies that occur on or after 1 January 2015.

It is very important to note that capping the assistance for redundancy pay entitlements to a threshold of 16 weeks' pay will align redundancy payments under the Fair Entitlements Guarantee with the maximum amount payable under the National Employment Standards.

As well as addressing financial sustainability, this amendment will also address the moral hazard that overly generous redundancy entitlements create.

It will put beyond doubt that the accepted standard for redundancy pay is what is contained in the National Employment Standard – a maximum of 16 weeks' pay. For the sake of consistency, it is important that the National Employment Standards and the Fair Entitlement Guarantee standards are the same.

This Bill will only affect people who lose their job when their employer is liquidated or becomes bankrupt on or after 1 January 2015.

While the Fair Entitlements Guarantee payment for redundancy pay will not go beyond 16 weeks' pay, employees will still be able to pursue their employer for any remaining unpaid entitlements through the winding up process, which is what employees currently do for entitlements not covered by the Fair Entitlements Guarantee.

Let me make it clear – the Government is firmly of the belief that it is the responsibility of employers to meet the cost of their employees. This includes making adequate provision for redundancy pay when employees are made redundant. It is not the job of government and the Australian taxpayer to prop up particular businesses when they are failing or encourage employers to shirk their responsibilities. The Government's job is to ensure the economy is as strong as possible and to provide a framework for business to succeed.

This Bill also progresses three technical amendments to the Fair Entitlements Guarantee legislation to clarify that:

a debt owed by a claimant for a particular entitlement can be offset proportionally against other entitlements payable to the claimant under the scheme if the debt exceeds the entitlement to which it relates.
amounts required to be withheld by law, such as pay as you go taxation, will be deducted from payments when they are made to the claimant.

payments can be made to the estate of a deceased employee or claimant.

The Bill also:

• amends the Act so that the issue of whether a person has 'reasonably pursued' a debt owed by the employer is not a consideration for eligibility for any payment under the scheme – it is a matter that is dealt with when calculating the amount a claimant is owed.

• establishes arrangements for costs associated with appeals of decisions relating to the Fair Entitlements Guarantee to the Administrative Appeals Tribunal to be drawn from the special appropriation.

This Bill will allow the Fair Entitlements Guarantee to continue in a sustainable fashion. It will ensure that the National Employments Standards are consistent with the Fair Entitlements Guarantee.

The Government supports the Fair Entitlements Guarantee. And this Bill ensures that it can continue to be supported.

I commend the Bill to the House.

Ordered that further consideration of the second reading of this bill be adjourned to the 27 October 2014, in accordance with standing order 111.

National Security Legislation Amendment Bill (No. 1) 2014

Returned from the House of Representatives

Message received from the House of Representatives returning the bill without amendment.

BUSINESS

Rearrangement

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (18:43): I move:

• That intervening business be postponed till after consideration of the government business order of the day relating to the Customs Amendment (Korea-Australia Free Trade Agreement Implementation) Bill 2014 and a related bill.

Question agreed to.

BILLS

Customs Amendment (Korea-Australia Free Trade Agreement Implementation) Bill 2014

Customs Tariff Amendment (Korea-Australia Free Trade Agreement Implementation) Bill 2014

Second Reading

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) (18:44): I rise to speak on the Customs Amendment (Korea-Australia Free Trade Agreement Implementation) Bill 2014 and a related bill. As the opposition made clear in the other place,
we support the passage of these bills. We do so because we understand the importance of trade reform. Trade reform has been one of the most significant reforms of the modern era and it has contributed to today's dynamic and competitive Australian economy and it has created jobs.

In government, it is worth recalling that Labor has pursued trade liberalisation for four decades—from the Whitlam government's across-the-board tariff cut, to the Hawke and Keating government's dismantling of protectionist barriers, to the Rudd and Gillard government's pursuit of bilateral and multilateral trade agreements. In opposition, Labor will maintain its support for trade liberalisation. However, we will also scrutinise the quality of the deals made by the government, because Australia needs high quality trade agreements that deliver real and practical outcomes for exporters, consumers and workers.

The Korea-Australia Free Trade Agreement itself has been subject to two parliamentary inquiries. The bills before us have been subject to a legislation committee inquiry. All three inquiries have highlighted flaws in the government's approach. I will have more to say about that shortly. I would indicate that, notwithstanding these flaws, we believe that, on balance, the Korea-Australia Free Trade Agreement is in the national interest. We believe that the benefits of ratifying this agreement outweigh the cost of non-ratification. Tonight I wish to briefly address some of the matters canvassed in the reports of the three inquiries. I would urge the government to do more than give the findings of these inquiries a sideways glance. The outcomes should be taken seriously by the Minister for Trade and by the Abbott government.

Firstly, I will address the technical review of these bills by the Legal and Constitutional Affairs Legislation Committee. Given other inquiries into the merits of the Korea-Australia Free Trade Agreement, the committee focused on the limited question of whether the customs bills 'faithfully implement the relevant obligations that Australia has assumed under KAFTA'. It is striking that, even on this limited and technical question, the committee did not give the government full marks. The committee identified several issues as well as a lack of clarity on what agreement provisions would be properly translated into domestic law by these bills or in other, yet to be released, regulations. Labor supports the committee's recommendation that:

The Australian Customs and Border Protection Service makes publicly available a table which refers to each of the specific provisions of Chapters 3 and 4 of KAFTA 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.

The government should ensure that this references table is provided as soon as possible. It ought to be provided before the passage of these bills.

The Joint Standing Committee on Treaties, or JSCOT as it is commonly known, also evaluated the merits of the Korea-Australia Free Trade Agreement to ensure that its ratification is in the national interest. Although 'overall' and 'on balance' JSCOT recommended that binding treaty action be taken, its report was far from resounding applause on the detail and processes of this agreement. Over half the report discusses 'issues'. The list of issues included criticisms, concerns and recommendations on matters such as investor-state dispute settlement mechanisms, intellectual property rights, certificates of origin, economic modelling, manufacturing industry impacts, movement of natural persons, labour and environment chapters, consultations, reforms to process, and other matters. This is a bit of a
laundry list of issues for the government, and the government should not ignore these issues. Rather, the government should take heed and act both to minimise the impact of issues of concern during the implementation of the Korea-Australia Free Trade Agreement and to avoid making the same mistakes in future preferential trade agreement negotiations.

The third inquiry relating to the Korea-Australia Free Trade Agreement by the Foreign Affairs and Trade References Committee was initiated by Labor on 27 March 2014 as a result of the government's reticence to release the text of the agreement after finalising negotiations. I was pleased to participate in this inquiry. I regret, however, that the committee could do no more than give the government a rather average report card. The report concludes:

Despite misgivings regarding several aspects of KAFTA, in particular the drafting of the ISDS provisions, the committee judges that, on balance, KAFTA should be ratified.

In making this decision, the committee takes into account the external factors surrounding KAFTA, in particular the trade agreements signed (or likely to be signed) by our major export competitors. The references committee report contains several recommendations. These recommendations include: for the Investor-State Dispute Settlement provisions in KAFTA to be narrowed by way of side letter, and that the government does not include ISDS provisions in future trade agreements; for independent economic assessments of the impacts of any intellectual property provisions proposed to be added to future agreements; and for the government not to give away our right to regulate labour markets, including labour market testing requirements. On labour market testing, Labor will hold the government to its assurances that the movement of people provisions in the Korea-Australia Free Trade Agreement will not result in significant increases in Korean nationals entering Australia under 457 visas. I would ask the minister handling this legislation tonight to repeat this assurance in her summing up. It would be preferable if that could be done, rather than requiring the matter move into committee. I refer the minister to the paragraph in the RIS, which referenced at page 47 to the recently tabled Foreign Affairs, Defence and Trade References Committee report, which states:

As this chapter locks in existing arrangements, no significant change is expected in the number of skilled workers entering Australia.

I would be grateful if the minister could respond to that in summing up.

Labor also acknowledges the conclusion reached by JSCOT and the Senate references committee inquiry that binding treaty action be taken to promptly implement the Korea-Australia Free Trade Agreement. The Republic of Korea is Australia's third largest export market, our fourth largest trading partner and a growing investment partner. In agriculture, resources and services, Korea is already a significant market for our world-class exporters. Our two-way trade was valued at $30.5 billion in the last financial year and, with this agreement, this value is set to increase. Under the Korea-Australia Free Trade Agreement, tariffs will be reduced to zero on 84 per cent of exports from Australia to Korea immediately, rising to 95.7 percent of Australian exports in 10 years. Without modelling any gains in the service sector, which employs four out of five people in Australia, the government's economic modelling of the agreement forecasts that the agreement will boost our goods exports to Korea by $3.5 billion by 2030; boost Australia's beef exports to Korea by 59 per cent by 2030; boost Australia's economy by nearly $5 billion between 2015 and 2030; boost Australia's GDP by $650 million by 2030; and create an additional 1,745 jobs in Australia by 2015.
One of the most significant areas of gains under this agreement is agriculture, an industry that employs some 200,000 workers. Another 150,000 Australians are employed in the related red meat supply chain, manufacturing, processing and transport industries. Many of these Australians live and work in rural and regional Australia. These Australians—as well as the businesses that employ them and the communities they sustain—deserve the opportunities that trade agreements can deliver through increased market access. These are not the only manufacturers who will benefit; other manufacturers will benefit too.

I note that one of Australia's leading natural healthcare companies gave evidence to the Senate committee about the benefits from increased market access for growing its exports. This Australian company, Blackmores, employs approximately 800 staff—most based in Australia—and manufactures vitamins and other products in Australia, predominantly from Australian ingredients. Its representative informed the Senate inquiry that it would directly benefit from the eight per cent tariff cut on its products exported to Korea, a benefit that could translate into 10 to 20 per cent annual growth and increased capacity to reinvest to fund further growth in the region. Blackmores' successes will also light the way for other Australian exporters into the Korean market. In the services sector, Australian law firms, accountants, fund managers and others will soon be able to expand their service sectors into Korea.

The former Labor government spoke about 'Australia in the Asian century' and ensured that a lot of work was done around domestic, foreign and economic policy settings to prepare Australia for the Asian century. We also commenced negotiations on this trade agreement and see it as just one stepping stone to sustained prosperity for the nation in the Asian Century in the years ahead, an agreement that will facilitate economic exchange and promote cultural exchange, enriching both our nations in the process.

For these reasons, Labor supports the bills before the chamber. We support the Korea-Australia Free Trade Agreement. But I would again emphasise that this support is not without reservation. We do have concerns about the inclusion of the investor-state dispute settlement provisions. We do have concerns about the changes to copyright. We do have concerns around the government's decision not to include labour market testing in relation to a number of categories. We also have some concerns about the effect of the government's cuts on the automotive sector and the complexity of the rules of origin. I therefore move:

At the end of the motion, add "but the Senate urges the Government to:

(a) seek to re-negotiate the Korea-Australia Free Trade Agreement to omit provisions relating to Investor State Dispute Settlement;
(b) provide clarity on proposed changes to copyright and assurance that any proposed changes as a result of the Korea-Australia Free Trade Agreement do not create adverse impacts for intellectual property owners or users;
(c) protect Australia's right to regulate labour market entry and promote labour standards;
(d) reverse its cuts to automotive industry programs and work with employers and unions to ensure Australia has a sustainable automotive components sector; and
(e) address business concerns about complex rules of origin in the Korea-Australia Free Trade Agreement and lack of harmonisation with other preferential trade agreements".

Senator WHISH-WILSON (Tasmania) (18:56): The Australian Greens are not opposed to trade agreements. We have a very firm policy of supporting fair trade in our agreements.
We are very happy for the opportunity for agricultural market access to be enhanced by these types of trade deals. However, we have a number of concerns about issues in this Korean free trade agreement, KAFTA. On balance, we do not believe the agreement is in Australia’s national interest. In the amendment circulated by Senator Wong, the Greens agree with where it says:

… the Senate urges the Government to … seek to renegotiate the Korea-Australia Free Trade Agreement to omit provisions relating to Investor State Dispute Settlement

We also agree with the request to ‘provide clarity on proposed changes to copyright’, since the Greens have significant issues with that. We also agree with asking the government to ‘protect Australia’s right to regulate labour market entry and promote labour standards’, as the Greens have issues there too. We also would like to see the automotive industry protected and so agree with part (d) of the motion. We agree with part (e), which is a bit of a no-brainer, around business concerns about complex rules of origin.

However, Senator Wong has worked with me in this chamber in the last 12 months to urge the government to do a number of things, such as release a draft of the Transpacific Partnership Agreement and release the modelling of the KAFTA agreement. Urging the government to do something is not going to get it done. Senator Wong has been around a lot longer than I have and I am sure she understands that, while it might look good to put up an amendment in parliament and look like you are standing up for stakeholders who have very serious issues with free trade deals, it will achieve diddly squat.

Somehow has to stand up and face off with the government and say that this deal is not good enough. It is high noon at the free trade corral and it looks like only the Greens are going to be standing in the dust with Senator Xenophon, eyeing off the government. The reason we absolutely have to do this now, the reason it is high noon, is that the Transpacific Partnership Agreement, the largest trade deal in this country’s history, is very close to being signed and it includes dangerous ISDS clauses and a number of provisions on the environment and on intellectual property. We have the same concerns, if not more concerns, about that agreement. This sets a bad precedent.

Labor in government refused to sign the KAFTA deal. Evidence was provided during the inquiry that Labor refused to sign this deal because it included ISDS clauses. So what we have seen today is a backflip from Labor on a long-held principle which the Greens thoroughly agree with not to include ISDS provisions in trade deals. A few weeks ago, the ABC did a fantastic job covering the background briefing on this issue. Craig Emerson, a former Labor trade minister, was very clear in his comments about ISDS provisions. So while it looks great to be out there grandstanding to the media and talking about how you do not like these things, how they are dangerous, how you think they have no legal authenticity and how they are run by dodgy international courts that have no transparency, on the other hand Labor have given the government what they want. How does that work?

If we are going to improve trade deals in this country and get the scrutiny that we need around trade negotiation processes and omit dangerous clauses such as ISDS clauses, we need to make a stand on the Korean-Australian free trade deal. We tried to get things changed before the deal was signed by cabinet. We have raised this issue repeatedly for 15 months in this chamber and in estimates and we have got no response from the government at all. We have to change the way we do trade deals in this country.
Just as a matter of interest, our Foreign Affairs, Defence and Trade Subcommittee dissenting report went through and looked at recommendations that have been made by JSCOT in the last 15 years around trade. These are not the recommendations of the Productivity Commission, who thoroughly agree, by the way, with everything the Greens said in their dissenting report. These are recommendations from a number of trade deals. I will start with the 2004 Joint Standing Committee on Treaties inquiry into the Australia-United States free trade agreement. It recommended:

To enable the Australian Parliament to assess the economic impact of the AUSFTA—

the Australia-United States free trade agreement—

the Committee recommends that a review of its implementation be conducted by the Productivity Commission five years after the Agreement enters into force. Also:

The Committee recommends that the Government undertake a review of the environmental impact of the Agreement and that legislation be introduced which will ensure that all future free trade agreements contain results of an environmental impact …

JSCOT then made similar and larger recommendations on 17 June 2008 on the Chile-Australia free trade deal. Then we did it in August 2012 around the Malaysian free trade deal. We made the same recommendations and got no action. There has been no action at all from any government while in power to change the way we negotiate trade deals such as to make draft text available to parliament so that it can be scrutinised before deals are signed. We are not asking anyone to read their will here. This is what the Productivity Commission itself has recommended.

If we support this trade deal, we will be supporting an inefficient, imperfect process that has been constantly recognised as such by the joint parliamentary committee and the Productivity Commission, and we will be supporting the inclusion of dangerous investor-state dispute settlement clauses which give corporations the right to sue sovereign governments. No matter which way you cut it, the evidence provided in a recent bill put up by the Greens to ban ISDS and the evidence provided to JSCOT on KAFTA and the Foreign Affairs, Defence and Trade Subcommittee is that these provisions cannot be made safe. Carve-outs and exceptions do not work. They do not preclude anyone from bringing litigation forward to chill regulation in sovereign nations when those nations want to do something in the public's interest.

An example is the plain-packaging tobacco law. They were very bravely brought in by Labor. They are now subject to challenge by Philip Morris through a bilateral trade deal with Hong Kong. This is an investor-state dispute settlement clause designed to strategically send a message to any country around the world that wants to go down the same path as Australia. They are suing the Australian government for a public health policy. They are suing the Australian government through an international arbitration tribunal that has no transparency. There are only three people on it. There are about 500 of these cases being held around the world. The majority of them are being waged by US companies.

Once again, we are about to enter into a large multilateral trade deal—the Trans-Pacific Partnership agreement—which includes the US. We know from our recent discussions with
Foreign affairs, Defence and Trade that ISDS clauses are back on the table for the TPP. What sort of precedent are we setting here today if we include these in our trade deal?

Let's look at the evidence on ISDS provisions. There is no evidence at all that they bring any economic benefit to the nations that sign up to them. There is no evidence that they help facilitate the flow of investment across national borders. There is no evidence that existing legal frameworks are not sufficient to protect investors. This has come from independent sources, including, once again, the Productivity Commission. So why did we include an ISDS clause in this agreement? It is because the Koreans insisted on it. Why did the Koreans insist on it? It is because they have recently signed a deal with the American government and that was the benchmark they insisted Australia jump up to.

Who knows on how many more trade deals in the future we will stand up and say, 'We want parliamentary scrutiny before it is signed by cabinet'? I want to get on the record the way the treaty process is at the moment. Once treaties are signed by a cabinet they come to JSCOT, which can make recommendations. But, unlike what I believe Senator Wong was implying in her amendment, these changes cannot be made. It is all or nothing—swallow it whole or spit it out. That is our option here. Senator Wong does not think it is good enough and nor do the Greens. On balance, her view is that the benefits outweigh the costs, but she does not ignore the fact that there are costs.

Why is it that we have to have second-rate trade deals in this country? So many people have been recognising this for 15 years, yet we continue to see them in this parliament, and we are forced to ratify them without the ability to make good, positive changes to them that would benefit this country. There are all sorts of issues in this trade deal around intellectual property that have been recognised in this motion by Labor and were recognised by a number of witnesses in the agreement.

The Greens also have issues with the automotive industry and the impacts these trade deals have had on the automotive industry. It is very clear when you read the media but it is a lot harder to get evidence at inquiries on what impact these trade deals have had on the automotive industry. However, it is very clear that they have been significant. Why is it hard to get evidence? Because the modelling on this Korean free trade deal, apart from the fact that we had to request it twice in an order for the production of documents in this chamber, did not assess the impact on the car industry when it was first done. It did not assess it at all. You would have thought it would have been one of the critical things that would have been assessed, given the desperation stakes that the Australian automotive industry found itself in leading up to the signing of the Korea-Australia Free Trade Agreement. The modelling was very limited. It is an input-output model. It does not include the dangers and risks of things such as ISDS or changes to intellectual property.

On the IP, JSCOT and the Productivity Commission have also recommended independent economic reviews into the impacts of these trade deals on intellectual property in this country. That has not been done either. So, let us make this very clear: if we vote for this legislation to enact this Korean free trade deal, we will be voting for a second-rate trade deal that could be a lot better. Someone has to have the principle to say: 'It's not good enough. We can do better, and we need to make a stand. Government needs to go back to the drawing board and do this deal properly.' Unfortunately, an amendment in the Senate urging the government to do this for us is not going to work, because we have already urged the government to consider these
factors, in so many different parliamentary forums, and of course it is not interested. I remember the Prime Minister's, Tony Abbott's, speech—the Governor-General's speech—and I think it was in the second paragraph of that speech that the Prime Minister said that a hallmark of this government is going to be signing free trade deals; this is what they are going to hang their hat on. And how quick were they to rush into signing the Korean free trade deal, which we know had been sitting there for three or four years, unsigned, because it gave the government a headline. It gave them a quick fix and a headline and a distraction from their domestic local problems around the budget and their ripping up of really good policies, like the price on carbon, and not tackling other revenue measures, like fixing the mining tax.

So, the Korean free trade deal: a quick nip in the bud, get this deal signed, include ISDS—it does not matter. And it is good for the agricultural industry, potentially; there is no doubt about that—not all the agricultural industry, but nevertheless—but not so good for the car industry, not so good for the intellectual technology industry; there are a lot of issues around that.

The Australian Greens have put out a dissenting report. We firmly believe in fair trade. But fair trade incorporates externalities. It incorporates the costs of these deals. Nobody has any doubt. Any first-year economics student will tell you that trade deals involve trade-offs, they involve compromises. But who is making these compromises, these trade-offs, in our name? If nearly a third of our economic activity in this country comes from trade, that is pretty substantial. Who makes these decisions? Why are they made in secretive trade negotiation processes that are not open to the public and such that the public cannot access the documents and the draft text at different stages? Even at the end of a trade deal they cannot be accessed.

It is time to change the way we do trade deals in this country. This KAFTA deal, in its national-interest assessment, showed a negligible benefit to this country in macroeconomic terms. Nevertheless, it is an opportunity; I respect that. How are we ever going to change the way we do things in this country if we do not make a stand on this now? The Greens will not be voting for this trade deal, because, if we do, it sets a very bad precedent for a government that is dead keen on headlines, dead keen on going up in the polls, with a large multilateral trade deal—the Trans-Pacific Partnership—that covers just about every aspect of Australian life and Australian economy, the environment, trade and labour standards. If we buckle and ease on this now, what chance are we going to have? What chance are the communities around this country going to have? These communities are concerned about secret trade deals and compromises and trade-offs being made in their name. What chance are we going to have to get scrutiny on the Trans-Pacific Partnership Agreement? What chance are we going to have to get a draft text given to parliament and in input process? What chance are we going to have to say, 'Don't include investor state dispute settlement clauses in future trade deals' if we vote for this agreement in this parliament in the next two days?

This is a matter of principle. It is not just about the agreement itself; it is about the process of negotiating trade deals—a process I believe is broken. The evidence is firmly in front of us. It is broken and needs to be fixed. What guarantees are we going to have from the government that things will not be different?—for the Chinese free trade being negotiated, for the Japanese free trade deal. Signing this opens a can of worms that is a lot more than it seems, and you really have to scratch the surface to see it.
Risking the sovereignty of our country by allowing multinational corporations in Australia, and even wealthy Australian companies, to sue foreign governments that cannot afford to be sued because they want to enact legislation in the public interest is totally unacceptable both to the Greens and to the Australian people. The Australian people are significantly worried about this issue. Chief Justice French of the High Court recently called on the judiciary and the legal profession to have a conversation immediately about investor-state dispute settlement clauses. Being on the High Court, he understands the issues, the risks, having seen Philip Morris sue the government and take it all the way to the High Court—and challenge the High Court's decision ultimately in a shady arbitration process that is provided by investor-state dispute settlement clauses. So listen to the No. 1 legal mind in our country, asking us to step back and reconsider these clauses in our trade deals.

We have not properly debated this. The Greens put up a bill in parliament to try to get some scrutiny on this issue, but still these things are done with a flick of the pen by people we do not even know who are negotiating on our behalf. This issue needs to come to parliament and be scrutinised before it is ratified, and not just by a government-led JSCOT committee. We need time to digest these things and we need to come up with a model investment treaty process in this country to make sure that we get trade deals right in the future. This is an imperfect trade deal—it is second rate and it is dangerous, and the Greens will not be supporting it.

Senator XENOPHON (South Australia) (19:16): Mr Acting Deputy President, I seek leave to have my speech on the second reading incorporated in Hansard.

Leave granted.

The speech read as follows—

The Korean-Australian Free Trade Agreement is the latest in a series of bilateral free trade agreements signed in the past decade that have shown Australia up as soft touches in trade negotiations.

We have earned the label of the 'Free Trade Taliban' internationally because we think it's virtuous to pursue a free trade agenda—even to our own detriment.

After a decade of signing FTAs in secret and spruiking the dubious benefits to Australians, it's clear we require root-and-branch reform.

That's why I will be introducing legislation that re-writes the way these FTAs are negotiated and adopted by Australia. We must require draft agreements to be brought to Parliament before our government signs-off.

These FTAs must be open to scrutiny and independent verification, rather than secrecy and exaggeration. Our national interest demands that it's time we all wised up, as first suggested by the Productivity Commission in a report in 2010.

KAFTA is possibly the worst of a bad bunch of FTAs signed with countries including Malaysia, Thailand, Singapore, the US, Chile, New Zealand and others. Most alarmingly, KAFTA will be the first FTA committing Australia to Investor-State Dispute Settlement clauses (ISDSs).

As Patricia Ranald of the Australian Fair Trade and Investment Network has pointed out well in advance of this Bill, these disputes are heard in international tribunals without the protections of national legal systems. There is no independent judiciary, no precedents or appeals.

More broadly, as the ANU's Associate Professor Matthew Rimmer said to the Treaties Committee, we must all become more "hard headed" about bilateral FTAs, starting with questioning the glowing predictions from Government:
"DFAT have been engaging in booster-ism about trade and sometimes are very reluctant to reveal some of the costs or trade-offs involved in certain agreements."

Was one such "trade-off" in securing KAFTA the wholesale selling-out of Australia's car and ship building sectors? There's evidence to support this.

Will KAFTA's rapid reductions in import tariffs for South Korean cars risk the early closure of Toyota and Holden as well components suppliers which employ 33,000 Australians, as asserted by the AMWU to the Joint Standing Committee on Treaties?

I note that the Government in June—less than two months after agreeing to KAFTA—announced it would limit a $2 billion navy ship building tender to companies from South Korea and Spain, excluding Australian ship builders. It's not a stretch to infer that this Government has offered up our manufacturing industry as a sacrificial lamb to secure this long-sought-after free trade deal with South Korea, our fourth-largest trading partner with two way trade of $33billion in 2012.

We seem to be exporting car and ship building jobs in the thousands, and what are we getting in return? Bigger TVs and smaller cars? In conclusion I'd like to raise the troubling issue of human rights standards for North Korean workers under this agreement.

I was shocked to learn that goods emerging from Kaesong industrial zone in North Korea, in which South Korean firms utilise labour from the North, will be deemed exports from South Korea under this deal.

Workers at the Kaesong Industrial Complex in North Korea are reportedly paid just a few dollars a day, and their wages go directly to the government of North Korea. Quite frankly I'm at a loss as to how this Government and the Labor Opposition could live with this.

South Korea was forced into much tighter conditions in relation to these so-called "outward processing zones" in free trade agreements with the United States, Japan and the EU. The United States will only accept goods from Kaesong in the future if North Korea improves its record on denuclearisation, labour and environmental standards, among other factors.

Not so for KAFTA. We may even be in breach of WTO rules by discriminating in favour of North Korea — not a WTO-member. Ironically the Government is only too well aware of the morally bankrupt, hermit kingdom of North Korea.

In his press conference announcing the KAFTA deal, Prime Minister Tony Abbott said:

"Plainly, North Korea is an outlaw state. It's a threat to world peace. It's a deadly danger to the citizens of South Korea and until such time as North Korea gives up its nuclear ambitions, until such time as North Korea permanently ends its aggression towards the South, it must be treated as a rogue and outlaw state."

KAFTA does not reflect that strong statement by the Prime Minister — in fact, it makes a mockery of the PM's words.

For this and the reasons mentioned earlier, I will not be supporting this bill.

**Senator IAN MACDONALD** (Queensland) (19:16): I chaired the Senate Legal and Constitutional Affairs Committee that looked at the customs and tariff aspects of the Korea-Australia Free Trade Agreement bills. The committee recommended that the bills be passed, but it did raise one recommendation relating to a couple of issues raised by two submitters. The Minister for Immigration and Border Protection, Mr Morrison, has issued a letter responding to that I think satisfying concerns raised by the submitters. It is unusual because Senator Wong has not seen the letter, but I seek leave to incorporate in *Hansard* the letter from the minister relating to recommendation 3.16. It is an unsigned letter but it does respond to the recommendation of the committee.
Leave granted.

The document read as follows—

The Hon Scott Morrison MP
Minister for Immigration and Border Protection
Ministerial No: MS14-000409
Ms Sophie Dunstone
Committee Secretary
Legal and Constitutional Affairs Legislation Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Chairman, Senator the Hon Ian MacDonald MP

Response to the Submissions made by The Export Council of Australia and the Customs Brokers and Forwarders Council of Australia to the Senate Legal and Constitutional Affairs Legislation Committee Inquiry into the Implementation of the Korea-Australia Free Trade Agreement

The Australian Customs and Border Protection Service (ACBPS) is writing to address the issues raised by submissions made to the Committee, in respect of the above inquiry, by the Export Council of Australia (ECA) and the Customs Brokers and Forwarders Council of Australia (CBFCA).

In addressing these issues I will refer only to the submission made by the ECA as the CBFCA submission is almost identical. I also note that both the CBFCA and the EGA generally welcome the implementation of the Korea-Australia Free Trade Agreement (KAFTA) and its initiatives.

Commencement of the KAFTA (paragraph 3.2 of the submission refers)

The Government of Australia and Korea have agreed to be in a position for KAFTA to come into force in 2014. At this stage we are looking at a December 2014 commencement. In Australia our legislative process will be complete when the KAFTA Bills have been enacted and when subsidiary Regulations are made, possibly in late October or early November.

Communication (paragraph 3.3 (b) and (c) of the submissions refer).

As a result of a recent Industry Summit the Trade Branch in ACBPS will continue to work with the Department of Foreign Affairs and Trade, other government agencies and industry to improve access to Free Trade Agreements (FTA) by improving awareness of their scope and the requirements and processes for accessing benefits and, wherever possible, reducing their complexity (e.g. by promoting greater standardisation in plurilateral agreements).

ACBPS will be undertaking an education program that will provide industry with information on how to access the benefits of the recently concluded KAFTA by holding seminars in all capital cities except Darwin and Hobart. These seminars will be similar in content to those provided for the implementation of other FTAs.

The seminars are aimed at industry, customs brokers, freight forwarders and other professional service providers and will advise on the tariff commitments under KAFTA and on how to use the Rules of Origin including the Product Specific Rules (PSRs). They will be underpinned by Instructions and Guidelines and other instructive material which will be available publically on the ACBPS website before the commencement of KAFTA.
Regulations (paragraph 3.6 refers)

KAFTA contains rules that will determine whether goods imported into Australia from Korea are originating goods and thereby eligible for preferential rates of duty under the Customs Tariff Act 1995. These rules are set out in Chapter 3 of the KAFTA and will be enacted in the Customs Act 1901 as new Division 1J of Part VIII of that Act and as new regulations. New Division 1J will be inserted by the Customs Amendment (Korea-Australia Free Trade Agreement Implementation) Bill 2014. The Bill was introduced in the Parliament on 4 September 2014.

Consistent with the regulations which implement, inter alia, the Australia-US Free Trade Agreement (the Customs (Australia-United Free Trade Agreement) Regulations 2004) and the Malaysia-Australia Free Trade Agreement (Customs (Malaysian Rules of Origin)Regulation 2012), regulations are required to implement part of KAFTA.

The KAFTA Regulations will implement and specify the different product-specific rules of origin applicable to goods for each tariff heading and subheading in the harmonized Commodity Description and Coding System for the classification of goods that are contained in Annex 3-A to KAFTA.

In line with Parliamentary practice instructions were forwarded to the Office of Parliamentary Counsel for drafting the regulations after the introduction of the KAFTA Bills in the Parliament on 4 September 2014.

Under the provisions of the Legislative Instruments Act 2003 the Regulations (when agreed) are required to be registered on the Federal Register of Legislative Instruments and tabled in both Houses of Parliament for scrutiny.

Potential Offences (paragraph 3.7 of the submission refer).

I note the concerns raised by the ECA that the Customs KAFTA Implementation Bill does not specifically include references to Articles 3.20 to 3.25 in the Agreement. I am advised that the Regulations will make provisions for articles 3.23, 3.24 and 3.25 and that this is consistent with the implementation of previous free trade agreements. However, in relation to Article 3.23 the Regulations will not specify a 30 day period and this will be to the benefit of Australian exporters.

I am also advised that Article 3.20 is merely a clarifying provision that does not need to be included in the Act and that the current offence provisions of the Customs Act will apply where a false claim for preferential tariff treatment is made, which gives effect to Article 3.21.

I also note that the Customs Regulations 1926 will be amended to provide for refunds of duty where a post-importation claim for preferential tariff treatment is agreed providing that the time for working out the rate of duty on the goods occurs at or after the time KAFTA enters into force.

Infringement Notice Scheme (paragraphs 3.12 and 3.13 of the submission refer)

An infringement notice is an administrative penalty that the ACBPS may issue in certain circumstances. Infringement notices are a valuable enforcement and regulatory tool as they can provide a timely and cost-efficient outcome for both ACBPS and the entity that is the subject of an investigation.

The new Infringement Notice Scheme (INS) which commenced on 1 February 2014 is applicable to specific strict liability offences that are listed in Schedule IABA of the Customs Regulations 1926. A person may be given an infringement notice in relation to any contravention of a provision of the Customs Act 1901 (the Customs Act) that is subject to an infringement notice under this Schedule. In determining whether an infringement notice is an appropriate enforcement response, the ACBPS takes into account a broad range of factors.

Circumstances where ACBPS is more likely to give an infringement notice rather than prosecute for an offence may include:

- where the alleged offence is isolated or non-systematic
where remedial or risk mitigation action was taken following ACBPS bringing the issues of concern to the person's attention (for example, through a formal warning)

- where the facts that led to the alleged offence are straightforward and are not in dispute

- where the alleged offence does not pose a significant risk to the border or the collection of revenue or

- where ACBPS considers the infringement notice is necessary to form part of a broader industry or sector compliance and enforcement program.

The ACBPS has no influence on how its Korean counterparts deal with minor or inadvertent errors associated with compliance with the Rules or Origin clauses of KAFTA.

The Guidelines for the new INS are available for reference at:

I trust that the above information will assist the Committee in its deliberations concerning the implementation of KAFTA and I request that this response be kept in confidence.

Yours sincerely

The Hon Scott Morrison MP

Minister for Immigration and Border Protection

Senator IAN MACDONALD: Perhaps the overriding recommendation of the committee was that the matter be dealt with super urgently, particularly on behalf of the cattle industry, the sugar industry and a number of other industries which are important to my constituency in Queensland and indeed they are important to Australia. If we do not get this legislation through in this sitting it will mean that all of our primary producers will be put back a year against competitors in the deal with Korea. It is a tremendous agreement for Australia, particularly for the cattle industry but for a number of other agricultural industries as well. I urge the Senate to pass the bills in the interests of Australian industries.

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (19:18): I thank all senators for their contribution to the debate, and in particular the opposition for indicating their support of the free trade agreement with Korea and agreeing that it is in the national interest. In terms of Senator Wong's query regarding clause 77 of the regulatory impact statement and the movement of natural persons, I confirm the final lines of clause 77:

As this chapter locks in existing arrangements, no significant change is expected in the number of skilled workers entering Australia.

I also confirm that the Korea-Australia Free Trade Agreement does not change Australia’s immigration requirements for Koreans seeking to work in Australia, and they will still be subject to the same regulatory regime in relation to 457s as any other person coming into this country. On that basis I commend the bill to the Senate.

The ACTING DEPUTY PRESIDENT (Senator Edwards): The question is that the amendment moved by Senator Wong to the second reading motion on the Customs Amendment (Korea-Australia Free Trade Agreement Implementation) Bill be agreed to.

Question agreed to.

The ACTING DEPUTY PRESIDENT: The question now is that the bills be read a second time.
Question agreed to.
Bills read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT (Senator Edwards) (19:19): 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 CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (19:20): I move:
That these bills be now read a third time.
Question agreed to.
Bills read a third time.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Edwards) (19:20): Order! I propose the question:
That the Senate do now adjourn.

National Security

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (19:20):
I rise tonight to make a few comments about the National Security Legislation Amendment Bill (No.1) that was recently passed in this place. I do so particularly in light of a number of emails I have been receiving and commentary in newspapers. Some people seem to believe the assertions made by some that we have just granted new powers to intelligence organisations here that would put them on a footing with previous Soviet bloc or Cold War era organisations. Clearly they have not done their own due diligence to understand the balance and protections that have been put into this process.

It has been asserted that these new laws were very much a creation of this government, rushed through in response to current events. I want to re-emphasise that these amendments had their origin in the work of the Parliamentary Joint Committee on Intelligence and Security which was carried out under the previous government. Based on the recommendations that they made, this legislation was brought forward and referred to the current Parliamentary Joint Committee on Intelligence and Security, which I have the honour to serve. It has been the subject of additional review—not only did we have the nine days of hearings in this current PJCIS inquiry and some 240 submissions; we also had the discussion here in the Senate.

I would like to go through some of the key points that people have raised to give them an assurance that the work of the committee was to understand what the amendments were proposing, to hear the concerns from a broad range of people in the community and then to give the government amendments to address those concerns which had been raised. In some cases what I will cover indicates that the assumption people have made about this legislation was false in the first place. What we have done is to make it absolutely clear, for the avoidance of doubt in the legislation—or in some cases the explanatory memorandum—where the legislation already satisfied the concerns of the committee.
First I want to address the issue of the use of force. Some of the commentary I have seen would indicate that people believe we have now authorised our intelligence agencies to use force as they see fit—at will and with no authorisation or supervision. Nothing could be further from the truth. Imagine the scenario where a raid has been planned and when you get into the house or the building you find somebody who is in possession of evidence that is the focus of the raid, and they choose to walk or run out the back door. Under the previous legislation an ASIO officer could not block their passage to stop them from going out of the door, because that would be using force against the person. Clearly, there is an obligation there, for the success of the mission, to actually allow them to use reasonable force to do something like blocking somebody's exit so that they can obtain the material that the person may have.

There was a good deal of discussion in the committee about the fact that, if somebody is going to be authorised to use force, then they have to have suitable training, and there was a requirement that IGIS should look at that training and make sure it was suitable. But the important part that I want to get to is schedule 2 of the bill, as amended—the powers of the organisation, being ASIO, in response to recommendation 6 of our report. In proposed subdivision H—general provisions relating to warrants—a new section is inserted which specifies notification requirements that will apply to any warrants issued under the ASIO Act authorising the use of force against persons. That is the point I really want to emphasise: in order for an ASIO agent to use this power, it has to be explicitly authorised in a warrant. It is not as though people can, off their own bat, go and do something that the rest of society would look at and say: 'We do not think that is appropriate.' It has to be authorised in a warrant.

More importantly, in terms of a check and balance, it requires the Director-General of Security to notify the Attorney-General and the Inspector-General of Intelligence and Security—so IGIS, the independent watch body—if force is used against a person in the execution of a warrant. That notification must be given in writing and as soon as practicable after force against the person has been used. So we have here two checks and balances: one pre-existing in that it could only be authorised by warrant; and, as a result of the committee's work, there is also the additional check that says that if you have actually used force, then the person must be suitably trained and there must be a report back to both the Attorney-General and to IGIS so that they can keep a watch over how frequently this is used and how that training equips people to do it. If you think through the scenarios that were postulated, it is not a subversive or bad power for people to use.

In terms of computer access, I have read articles that would indicate that we have given permission to ASIO to interrogate the entire internet at will. Again, in response to recommendation 5 of the committee's report, schedule 2 of the bill—the powers of the organisation—was amended with a new section 34, requiring a specific matter to be included in reports on warrants that have authorised computer access. So again there are two elements here. Firstly, there has to be a warrant to access the computer, so it has to be specifically authorised. Secondly, there is a report to make sure that, where that power has been authorised, it has been used in an appropriate way.

I would like to touch on special intelligence operations. There has been some concern about special intelligence operations as though they are something completely new,
particularly around protecting the safety of the officers who are working on those by limiting the ability of people to talk about them. This legislation has been modelled on the controlled operations regime that the AFP already use and have done for many years under the Crimes Act. So we have a federal government body that is using a power that provides them with the ability to essentially have an undercover operation, and it has provisions about disclosure—reckless disclosure that would endanger the lives of people. That has been working without abuse, and it has not limited or dampened the ability of media to report.

Because of the concerns around the perceived inability of people to report if they think there is wrongdoing, we have amended schedule 3 of the bill to include specific offence exceptions. That amends section 35P of the bill to insert additional exceptions on the unauthorised disclosure of information relating to special intelligence operations. Again, let us narrow this in. This restriction is not about all ASIO operations. It is specifically about the undercover or SIO operations, and we have made specific mention in the bill that there is a public interest test before any prosecution and that the fault of recklessness is specifically brought out. We also specifically make it clear that, if somebody has a concern about the way ASIO is doing its business, then they are not at fault if they go to the IGIS and disclose their concerns to the IGIS, who is the appropriate authority with the appropriate security clearances to take action.

Many people have argued that the media is very responsible, and I have no doubt that the vast majority of people are. But incidents do still occur. There is the famous incident in August 2009 when before a raid actually took place newspapers were hitting the streets with the story. The story of the events that led up to that is contested, but the issue is that officers' lives were put at risk because that information got out. We are not seeking to dampen media reporting. We are seeking to make sure there are appropriate provisions in place to keep the lives of officers who put their lives on the line for the Australian community in these undercover operations from being recklessly exposed, which not only undermines the operation but puts their lives at risk. The committee has done its work with the support of the witnesses who have provided a range of evidence to make sure that this bill has been amended to have suitable checks and balances so that ASIO have the powers they need to do their job and the community can be assured that they are doing it in a responsible manner for the benefit of the Australian community.

Aboriginal Deaths in Custody

Senator LINES (Western Australia) (19:31): Last week in this place I paid my respects to a 22-year-old woman who died in a police lockup in the Pilbara and I asked why it had happened. Tonight I wish to continue my remarks in relation to the death in custody of Miss D.

It is now 52 days since Miss D died in police custody in a cell in the Pilbara town of South Hedland and the silence from the police and the Barnett state government is deafening. There should be an outcry. Instead there is silence. There have been two public comments made by the state, and both are defensive. There has been not one shred of sympathy shown to Miss D's family, not one condolence motion, not one promise to undertake an independent investigation, nothing.

The WA Country Health Service regional director, Ron Wynn, defended the level of care of healthcare professionals at Hedland Health Campus but refused to say whether a doctor had
examined Miss D on the two occasions she was taken to the hospital before she died. The only comment from the WA Attorney General, presumably in relation to this matter, is that warrants of commitment serve as a deterrent. This just goes to show that the Attorney General does not have a clue what he is talking about. Just what are they a deterrent from? Offending? Paying off your fine? What? In Miss D's case she was taken into mandatory custody after allegedly not paying a fine for an offence, which according to media reports was unpaid parking fines. So what is the deterrent?

The interim autopsy report came back inconclusive, but what it did find should be ringing alarm bells. It noted old fractures of two ribs with a 'possible refracture' of one, bleeding in and around the lungs, a head wound and dried vomit in Miss D's mouth, nose and all over her body. This report concerns me greatly. Why isn't this cause for comment from the state government? Why hasn't the state government given assurances to the family that this inconclusive autopsy will warrant further investigations and that they will be undertaken?

The WA Attorney General revealed that Miss D suffered an apparent heart attack and died within 20 minutes of arriving at the hospital. This was revealed in a recent radio interview. Was this news to Miss D's family? Did they learn of this heart attack on the radio? How does the Attorney General know this? He obviously has more information than the family. What else does he know and why is he keeping it to himself?

I certainly did not take comfort from this interview that Miss D's death would receive special priority or even that the Attorney General thought the death a tragedy. His only comment: it is always 'unfortunate'. What is unfortunate is that the Attorney General missed an opportunity to convey his sympathies and condolences to Miss D's family, who are quite beside themselves with grief. Again he defended the use of warrants of commitment and refused to be drawn on what the fines were for. Apparently, that is a matter under investigation. Why can't the Attorney General explain what the charge was that Miss D was convicted and fined for? Why is that a secret matter and part of an investigation? We do know that whatever offence Miss D committed did not and never did warrant a custodial sentence. We do not know if and what options were offered to Miss D to pay her fine and we have no proof that failure to pay her fines did not in and of itself automatically warrant jail time. None of this should be secret. Committing an offence and being fined, even failure to pay the fine, did not cause Miss D's death. This information obviously known by the Attorney General and should be made public.

So 52 days after the death of Miss D, what do we have? We have the police investigating the police and we have evidence being gathered for the coroner but, of course, we do not know how long Miss D's family will have to wait to get justice or to understand why Miss D died or who was responsible. We do know that coronial inquests in Western Australia, particularly if they are the deaths in custody and particularly if they are Aboriginal deaths, seem to take years and years. We are still waiting for the coronial inquest report on the death in custody of another Aboriginal woman in Broome two years ago. Surely, we as a community and as politicians are not going to let Miss D's family wait two years to find out what happened.

The police have told us, and in fact the Attorney-General has told us, that six interviews have already been undertaken. We do know that if you are a celebrity, a coronial inquest is done in rapid time. If you look at the Peter Brock case, that coronial inquest took a matter of
months. So why is it that we still do not know the reasons that a woman who died in custody in Broome two years ago? The deaths in custody of Aboriginal people must stop. The state government in Western Australia must give these deaths a greater priority and if there is anything that the Abbott government should be doing this must be done as well. After all, we have a Prime Minister who says he is the Prime Minister for Aboriginal people, and yet these deaths in custody at the hands of the state in Western Australia continue.

On Sunday there was a memorial service held for John Pat. Thirty-one years ago that young 16-year-old boy died in a police lock-up in the Pilbara. How much longer do Aboriginal people in Western Australia have to wait? We do know that the incarceration rates of Aboriginal women in WA are climbing alarmingly. We are taking mothers, wives and grandmothers and incarcerating them. At the moment there is something like 230 young children without their mothers because they are in jail, and they will be in jail for the non-payment of fines and for all sorts of minor offences.

This should be unacceptable to us. This is not the way that people should be treated. I heard people in this place say today that Aboriginal people should be treated the same as everyone else. Well, that is not the case in Western Australia. If you are an Aboriginal person in the state of Western Australia, you cannot be guaranteed the same justice that I or members of my family would get because we are not Aboriginal. This has got to stop. It is time for Colin Barnett to take action on this matter and it is time for Minister Scullion to ask the Barnett government what is going on in WA. Why do we continue to have Aboriginal people locked up for parking fines and dying in custody? Just four days after being arrested Miss D was dead at the age of 22 with a shocking autopsy report that should ring alarm bells. I urge the government to act and to act now for an independent investigation.

**National Security**

**Senator EDWARDS** (South Australia) (19:41): I rise to speak on a matter I would much rather not, but it is a matter of first-order importance. It concerns a scenario of absolute moral clarity and it is a challenge to the way in which we respond to it that says everything about the kind of people we are. National security is the first responsibility of government, and so we may judge a government by how it performs in this duty. Likewise, our moral compass and sense of what is right and wrong are at the very core of our individual selves, and so our own characters must be judged against this measure.

How we respond to the butchers, the rapists and the torturers of Islamic State is by all means a matter of national security. But more than that, what we choose to do about a group that would behead a six-year-old girl, cut in half a five-year-old boy, summarily execute hundreds in a day and enslave women and girls to sexual servitude is a reflection on our national character.

We are a nation not intimidated by—and not even fundamentally changed by—a decade as targets of Islamic terrorism. The values that built Australian society are just too strong to be shaken by bombs. Respect for the freedom and dignity of the individual; equality of men and women; freedom of religion; commitment to the rule of law; parliamentary democracy; a spirit of egalitarianism; and equality of opportunity for all—this is a formula with which we built a country and these are the values we hold central and so much so we are prepared to spend the blood and the treasure that we do in the fight against those who threaten them in Australia or elsewhere.
Now we dispatch Australian forces in the defence of strangers, in the defence of these values and in the defence of those who cannot defend themselves. We do this not because those people are our countrymen or our trading partners or our co-religionists or because we are culturally aligned with them in any way. We are not. We do this because of our values. Those members of the Australian Defence Force who we send are in effect our values ambassadors. For Australians on this matter there is no moral ambiguity; there is only an obligation to stand up and to act.

Some in this place still need to decide whether they want to stand on the right side of history or the wrong side. To its credit Labor supports the government on this matter in the knowledge of what must be done. But not everybody in the political and media landscape does. Those with the privilege of a public platform must understand the responsibility that comes with it and the danger that comes with misusing it. Some in the press gallery accuse the government of targeting Islamic State merely as a convenient distraction from domestic politics. An earlier contributor, Senator Sue Lines, even accused the Prime Minister of 'scaremongering' over national security in order to deflect attention from local affairs. Greens Leader, Christine Milne, lets her party's rampant anti-Americanism trump good sense when she says that, if Australia follows the US into Iraq, Islamic State propagandists might accuse us of conducting a Western imperialist campaign against Islam. The enemy will lie shamelessly in the fulfilment of its goals. But Islamic State propaganda carries no truck with this government. We will do what is right, regardless; but the Greens would have us, perhaps, cower in the corner. Some have raised the threat of retaliation, if Australia stands up against the Islamic State, as a reason not to do so. ASIO says this is wrong. I say, if the threat of violence by tyrants is the product of doing what is right, then we will take those threats in triplicate.

The Fairfax press published a piece titled 'Fools rush in', in which the author opined that we would be better off 'biding our time' in the hope that someone else steps in. It argued that the fact that we did not invade Syria two years ago is somehow incongruous with us stopping the evil of Islamic State now. It is hard to know where to start with that kind of logic. Flippant, intellectually dishonest or lazy commentary perpetuates the lie that a stance against Islamic terrorism is a stance against Islam. This is the very same lie which jihadist recruiters themselves use, as they seek to draw the easily led and the feeble of mind to their cause. That message is being reinforced by sections of the media. But worse, that message is being reinforced by people whose words have resonance in the Islamic community.

On the day Islamic State released its video of the beheading of US journalist James Foley, 60 Australian Muslim leaders released a statement condemning the Prime Minister of Australia. On the day we learned of the beheading of US journalist Steven Sotloff, the Australian National Imams Council released a statement condemning—wait for it—the Prime Minister of Australia. When just over a week ago, an 18-year-old known terror suspect, Numan Haider, attempted to murder two counter-terrorism police officers in Melbourne, and was consequently shot dead, Islamic Council of Victoria's secretary Ghaith Krayem condemned the police. To protesters assembled in the Sydney suburb of Lakemba, following the 18 September anti-terrorism raids, Hizb ut-Tahrir's Wassim Doureihi said: 'Even if a thousand bombs went off in this country, all that it would prove is that the Muslims are angry.
and that they have every reason to be angry.’ At an Islamic conference in Melbourne last weekend, spokesman Mustafa Abu Yusuf is quoted in the press, calling on Australia to ‘...stop the demonisation of our kids that marginalises them, from the Prime Minister down—so that they feel wanted as part of the general Australian community’. He said Islamic State's actions were 'abhorrent, but it's no more abhorrent than any other of the horrible things that have been committed in the name of whatever'.

Words are weapons, and words like those license violence. To some ears they might even encourage it. In response, I will borrow a phrase used in a different context by Chief of Army, Lieutenant General David Morrison: 'The standard you walk past is the standard you accept,' People the world over want to come to Australia because of the society we have created on the back of the values that we have inherited—the same values and the same society that we must continue to defend. People like Sydney Lebanese community leader Dr Jamal Rifi understand this. So do the thousands who attended his community BBQ in Lakemba recently, which was themed 'Muslims Love Australia'. Thank you, Dr Rifi, for doing that. It certainly was a turning point in the commentary, which was becoming somewhat concerning within the community.

Islamic State, left unchallenged, is a threat that goes beyond geographical boundaries, and it is a threat to all races and religions. Indeed, the majority of its victims have been Muslims. We must unite to fight this evil, for evil does not reach greater heights than this. Mr President, I urge the Islamic community and the Australian community to get behind this government in condemning the murderous reign which is Islamic State; to support the cause of now over 40 nations; to entrust them with what is right and good; and to protect the rights of women and children in these regions. It is a terribly complex area. It has been a terribly complex area for hundreds of years. However, abject terrorism, tyranny and terror must not be tolerated in any way, shape or form. I thank the chamber for the opportunity to raise this.

Asylum Seekers

Senator RHIANNON (New South Wales) (19:50): I would like to congratulate the SBS Dateline team for the special investigation that aired last night, on allegations that some Tamils who sought asylum in Australia were returned to Sri Lanka by the Australian government, and have since been abducted and abused by Sri Lankan security forces on their return. I would like to urge all members of the Australian parliament to watch this Dateline documentary. This is an excerpt from SBS reporter Dr David Corlett's blog. Dr Corlett is also an expert on asylum seeker and refugee issues. In the blog, he writes about his investigation for Dateline, and his thoughts on Australia's asylum seeker policy. Dr Corlett states:

Last month, I travelled to Sri Lanka and spoke to people who had been returned from Australia. One woman, who says she had political problems in Sri Lanka, said the Sri Lankan military raped her before she eventually boarded a boat and fled.

On her second attempt to escape, Australian border officials intercepted her vessel. After days at sea, as she was kept on an Australian vessel, she was subjected to "enhanced screening," consisting of a 30-minute satellite phone interview, through an interpreter, with an immigration department decision-maker back on the mainland.

With three or four of her fellow passengers in the same area who she was unsure she could trust, she said that there was no privacy for her to tell her full story.

On the basis of this brief interview, Australian officials determined that it was safe to send her back.
When I met her in a secret location, after an elaborate process involving a lawyer, a "safe" driver, and various phone calls in which I was instructed to go from one place to the next to get further directions, she was terrified of being picked up again by Sri Lankan authorities.

She was living out of a suitcase and moving from house to house.

She has since told me that she has fled her homeland for a second time.

Another man I spoke to, as part of research on those sent back to Sri Lanka, told me he had been subjected to brutal torture after Australian officials rejected his refugee application and he was returned.

After months of monitoring by Sri Lankan security forces, he was abducted and taken to a secret location.

He says that for more than two months, he was tortured, including having his fingernails torn out and being hung upside down and beaten.

He was accused of being associated with the defeated Tamil Tigers.

Later, he says he was picked up again and taken to the notorious fourth floor of the Criminal Investigations Department in Colombo.

This time, he says his wrists and ankles were tied behind his back and he was hung from a pole between two chairs.

These stories may seem paranoid or unbelievably brutal, but they are consistent with credible international research.

I would now like to read an excerpt from an article in The Guardian published on 23 September by Julian Borger:

The UK continues to deport Tamils seeking political asylum to Sri Lanka, despite strong evidence that the security forces systematically use torture against those suspected of dissident activity five years after the end of the country’s civil war.

A new report by the Freedom From Torture advocacy group, based on medical evaluations of victims, found that many were subjected to branding and two thirds of those examined suffered rape or other sexual torture.

I was recently invited to speak at a forum in Newcastle about Tamil refugees fleeing to Australia and the ongoing atrocities in Sri Lanka being committed by the Rajapaksa regime.

On the speaking panel was a young man from Melbourne called Aran, who works with the Tamil Refugee Council. I found his speech haunting, brutal and most distressing. I would like to read it to you. These are Aran's words:

I am a witness to the Sri Lankan Government's genocidal acts in the 1990s.

In the 1990s the Sri Lankan Government propagated a war for peace campaign in which they aimed to inflict massive casualties on the Tamil population.

I am from a small village called Nagarkovil in northern Tamil Eelam.

I have witnessed deliberate bombings of churches, schools and civilian settlements.

Sri Lankan army would come and drop leaflets via helicopters asking us to stay in schools and churches for safety and they bombed us.

I was studying at Nagarkovil high school. Over 750 students studied there.

On 22nd of September 1995, my school was bombed seven times by the Sri Lankan airforce. The first bomb was dropped nearby our school. All 750 students in plain white uniforms started running outside. That is when they dropped six bombs. On that day my 14 year old brother was cut in half and killed by the Sri Lankan Air Force.

I witnessed my classmate Gopi hanging on a tamarind tree by his intestines.

My six year old cousin was found in pieces.
Two other cousins died as well.
Tens of children were murdered on that day.
Few weeks later Sri Lankan army attacked our village again. This time from their military base targeting the fish market. Only a new born baby survived.
After that attack, we internally displaced to Vanni and lived in a refugee camp for more than a year.
Tamil Tigers Civil administration looked after us. They provided us with three meals a day and built a cottage for us to live in that area.
In 1997 I fled the refugee camp due to Sri Lankan army's air attacks and came to Australia as a 13 year old refugee, as an unaccompanied minor. I was detained at Villawood detention centre for few months and released into the community.
I have come here today to share this experience because I can't sleep at night when our government is easily sending back victims of oppressive regimes, back to their ill fates.
I can't sleep at night when the Labor party and the Liberal party members continuously speak out in support of the brutal Rajapaksa regime. This needs to change and the change will only come through people like all of you who are here today.
Earlier this year three Victorian Labor MPs visited Sri Lanka and called Mahinda Rajapaksa a man of courage. Liz Beattie, founding member of EMILY's List called a man who uses rape as a weapon of war as man of courage.
In NSW we have couple of Labor MPs who have spoken in support of Tamils. These politicians have used the Tamils to hold onto their marginal seats. Same politicians have come out to defend politicians like Bob Carr who has threatened human rights organisations for speaking out against Sri Lanka.
We will no longer be fooled by the empty words of these so called friendly Labor party parliamentarians. They are all complicit in the genocide of the Tamil people.
Sri Lankan Government carried out the first genocide of the 21st century with the help of the Australian Labor Government. History will never forget that.
Ladies and gentlemen, what is happening in Tamil Eelam today is an unimaginable psychological torture for our people, apart from the physical harm they are subject to with impunity even as we speak.
Everything that is happening against Tamils within the Sri Lankan state is happening with impunity and covert support from outside forces including Australia.
As a member of the UN Security Council, Australia should act responsibly.
Unfortunately Australian government, despite evidence given by its own parliamentarians and refugees with horrible experiences, has chosen to take sides with Sri Lankan regime.
Recently I acted as an interpreter for a Tamil refugee who fled Sri Lanka. This is for a book called Sri Lanka's Secrets: How the Rajapaksa Regime Gets Away with Murder written by Trevor Grant.
This refugee from Northern Sri Lanka was sexually assaulted by the Sri Lankan army for six months at the end of 2012. Every time he refused to have sex the Sri Lankan army men they would come and insert PVC pipe through his anus and they inserted a barb wire through the pipe to torture him.
When he finally managed to flee Sri Lanka his wife was taken by the army.
She was gang raped by the army men in June 2013. 12 months on she is in a refugee camp outside of Sri Lanka, still struggling to live a normal life.
Australian authorities know this. They have seen the evidence. But they are blinded by the Sri Lankan lobby groups.
As an Australian Tamil, I say it with great pain that the Australian Government and the opposition do not care about the lives of the Tamils. They are strong words but I ask that all politicians consider them carefully.

These accounts from Aran, Julian Borger and Dr Corlett detail the enormous injustice and systematic sexual violence against Tamils. It truly pains me to speak about this and to know that Australia is sending Tamils back to a country in which there is very real and continuing persecution.

Whether it is Labor or the coalition, the response to the Tamil struggle for freedom and justice, sadly, has been very similar. The crimes against humanity occurring in Sri Lanka are now known to us. Australia is complicit in many of these crimes. It is time Australia stopped sending Tamils back to Sri Lanka and stopped ignoring the crimes of the Rajapaksa regime. We need to take action to support the people of Sri Lanka to live in peace and safety. Surely it is time that we consider this.

Senate adjourned at 20:00

DOCUMENTS

Tabling

The following document was tabled by the Clerk pursuant to statute:
Legislative Instruments Act 2003—List of legislative instruments due to sunset on 1 April 2016.

Tabling

The following document was tabled by the Clerk pursuant to order:
Estimates hearings—Unanswered questions on notice—Budget estimates 2014 15—Statement pursuant to the order of the Senate of 25 June 2014—Industry portfolio.

Tabling

The following documents were tabled pursuant to standing order 61(1)(b):

Environment—

Climate change—G20 Summit in Brisbane—Letter to the President of the Senate from the Prime Minister (Mr Abbott), dated 23 September 2014, responding to the resolution of the Senate of 4 September 2014.

Renewable energy projects in South Australia—Letter to the President of the Senate from the Minister for the Environment (Mr Hunt), dated 25 September 2014, responding to the resolution of the Senate of 2 September 2014.

Health—Global Fund to Fight AIDS, Tuberculosis and Malaria—Letter to the President of the Senate from the Minister for Foreign Affairs (Ms Bishop), dated 25 September 2014, responding to the resolution of the Senate of 1 September 2014.

Migration Act 1958—Section 486O—Assessment of detention arrangements—Personal identifiers 1001161, 1001280, 1001296, 1001298, 1001301, 1001303, 1001307, 1001308, 1001314, 1001322, 1001325, 1001326, 1001338, 1001343, 1001344, 1001381, 1001390, 1001391, 1001398, 1001400, 1001409, 1001411, 1001471, 1001493, 1001497, 1001508, 1001516, 1001530, 1001539, 1001540, 1001543, 1001559, 1001566, 1001567, 1001578, 1001579, 1001586, 1001588, 1001616, 1001618, 1001621, 1001623, 1001624, 1001652, 1001653, 1001655, 1001656, 1001659, 1001660, 1001668, 1001670 and 1001673—Commonwealth Ombudsman’s reports, dated 1 October 2014.
Government response to Ombudsman’s reports, dated 26 September 2014.

**Order for the Production of Documents**

The Assistant Minister for Immigration and Border Protection (Senator Cash) tabled the following documents:

Transport—Queensland—Toowoomba Bypass—Letter from the Minister for Infrastructure and Regional Development (Mr Truss) to the Clerk of the Senate (Dr Laing), dated 1 October 2014, responding to the order of the Senate of 30 September 2014 and raising a public interest immunity claim, and attachments.