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**SITTING DAYS—2015**

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<td>November</td>
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<td>December</td>
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FORTY-FOURTH PARLIAMENT  
FIRST SESSION—SEVENTH PERIOD  

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

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

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

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

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

(2) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice J Faulkner), pursuant to section 15 of the Constitution.

(3) Chosen by the Australian Capital Territory Legislative Assembly to fill a casual vacancy (vice K. Lundy), pursuant to section 15 of the Constitution.

(4) Chosen by the Parliament of Queensland to fill a casual vacancy (vice B. Mason), pursuant to section 15 of the Constitution.

**PARTY ABBREVIATIONS**

AG—Australian Greens; ALP—Australian Labor Party;
AMEP—Australian Motoring Enthusiast Party; CLP—Country Liberal Party;
FFP—Family First Party; IND—Independent, LDP—Liberal Democratic Party;
LNP—Liberal National Party; LP—Liberal Party of Australia;
NATS—The Nationals; PUP—Palmer United Party
Heads of Parliamentary Departments
Clerk of the Senate—R Laing
Clerk of the House of Representatives—D Elder
Acting Secretary, Department of Parliamentary Services—D Heriot
Parliamentary Budget Officer—P Bowen
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<tr>
<td><strong>Prime Minister</strong></td>
<td>Hon. Tony Abbott MP</td>
</tr>
<tr>
<td><strong>Minister for Indigenous Affairs</strong></td>
<td>Senator the Hon. Nigel Scullion</td>
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<tr>
<td><strong>Minister Assistanting the Prime Minister for the Public Service</strong></td>
<td>Senator the Hon. Eric Abetz</td>
</tr>
<tr>
<td><strong>Minister Assistanting the Prime Minister on Counter-Terrorism</strong></td>
<td>Hon Michael Keenan MP</td>
</tr>
<tr>
<td><strong>Minister Assistanting the Prime Minister for Women</strong></td>
<td>Senator the Hon. Michaela Cash</td>
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<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td>Hon. Charles Porter MP</td>
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<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td>Hon. Alan Tudge MP</td>
</tr>
<tr>
<td><strong>Minister for Infrastructure and Regional Development</strong></td>
<td>Hon. Warren Truss MP</td>
</tr>
<tr>
<td>(Deputy Prime Minister)</td>
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</tr>
<tr>
<td>Assistant Minister for Infrastructure and Regional Development</td>
<td>Hon. Jamie Briggs MP</td>
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<tr>
<td><strong>Minister for Foreign Affairs</strong></td>
<td>Hon. Julie Bishop MP</td>
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<tr>
<td><strong>Minister for Trade and Investment</strong></td>
<td>Hon. Andrew Robb AO MP</td>
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<tr>
<td><strong>Parliamentary Secretary to the Minister for Foreign Affairs</strong></td>
<td>Hon. Steven Ciobo MP</td>
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<tr>
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<tr>
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<td>Hon. Luke Hartsuyker MP</td>
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<tr>
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<td><strong>Attorney-General</strong></td>
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<tr>
<td>(Vice-President of the Executive Council)</td>
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<td><strong>Minister for Small Business</strong></td>
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<tr>
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<td>Hon. Joshua Frydenberg MP</td>
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<tr>
<td>Minister Assisting the Prime Minister for the Centenary of ANZAC</td>
<td>Senator the Hon. Michael Ronaldson</td>
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<td>Assistant Minister for Defence</td>
<td>Hon. Stuart Robert MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Defence</td>
<td>Hon. Darren Chester MP</td>
</tr>
<tr>
<td>Minister for Communications</td>
<td>Hon. Malcolm Turnbull MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Communications</td>
<td>Hon. Paul Fletcher MP</td>
</tr>
<tr>
<td>Minister for Immigration and Border Protection</td>
<td>Hon. Peter Dutton MP</td>
</tr>
<tr>
<td>Assistant Minister for Immigration and Border Protection</td>
<td>Senator the Hon. Michaelia Cash</td>
</tr>
<tr>
<td>Minister for the Environment</td>
<td>Hon. Greg Hunt MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for the Environment</td>
<td>Hon. Robert Baldwin MP</td>
</tr>
<tr>
<td>Minister for Finance</td>
<td>Senator the Hon. Mathias Cormann</td>
</tr>
<tr>
<td>Special Minister of State</td>
<td>Senator the Hon. Michael Ronaldson</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Finance</td>
<td>Hon. Michael McCormack MP</td>
</tr>
<tr>
<td>Minister for Health</td>
<td>Hon. Sussan Ley MP</td>
</tr>
<tr>
<td>Minister for Sport</td>
<td>Hon. Sussan Ley MP</td>
</tr>
<tr>
<td>Assistant Minister for Health</td>
<td>Senator the Hon. Fiona Nash</td>
</tr>
</tbody>
</table>

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

TUESDAY, 11 AUGUST 2015

Chamber
DOCUMENTS—
  Tabling....................................................................................... 4907
  Indexed Lists of Departmental and Agency Files—
    Tabling....................................................................................... 4907
COMMITTEES—
  Legal and Constitutional Affairs Legislation Committee—
    Meeting ..................................................................................... 4907
  Regional Processing Centre in Nauru Committee—
    Membership............................................................................... 4907
BILLS—
  Medical Research Future Fund Bill 2015—
  Medical Research Future Fund (Consequential Amendments) Bill 2015—
    Second Reading......................................................................... 4908
QUESTIONS WITHOUT NOTICE—
  Employment................................................................................ 4927
  Economy..................................................................................... 4929
  Abbott Government...................................................................... 4930
  Climate Change........................................................................... 4931
  Manufacturing............................................................................ 4933
  Workplace Relations ................................................................... 4935
  Building and Construction Industry............................................ 4937
  Building and Construction Industry............................................ 4939
  Defence Procurement................................................................. 4940
  Indigenous Affairs....................................................................... 4942
DOCUMENTS—
  Perth Freight Link—
    Order for the Production of Documents................................... 4944
QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS—
  Employment................................................................................ 4944
  Workplace Relations ................................................................... 4944
  Climate Change........................................................................... 4950
CONDOLENCES—
  Sim, Mr John Peter, CBE......................................................... 4952
PETITIONS—
  Shark Culling............................................................................ 4956
NOTICES—
  Presentation................................................................................ 4956
BUSINESS—
  Consideration of Legislation..................................................... 4959
COMMITTEES—
  Community Affairs References Committee—
  Education and Employment References Committee—
    Reporting Date.......................................................................... 4959
BUSINESS—
  Rearrangement.......................................................................... 4959
MOTIONS—
Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or
Punishment................................................................. 4959
Workplace Relations ..................................................... 4960
Northern Australia.......................................................... 4962
COMMITTEES—
Abbott Government's Budget Cuts Select Committee—
Appointment............................................................... 4962
MOTIONS—
Workplace Relations ..................................................... 4962
COMMITTEES—
National Capital and External Territories Committee—
Meeting ................................................................. 4963
MOTIONS—
Shipbuilding Industry.................................................... 4964
Wishart, Ms Felicity....................................................... 4964
DOCUMENTS—
Perth Freight Link—
Order for the Production of Documents................................. 4965
Victory in the Pacific Day .................................................. 4966
REGULATIONS AND DETERMINATIONS—
Amendment to List of CITES Species—
Disallowance ................................................................ 4967
DOCUMENTS—
Consideration ................................................................ 4967
COMMITTEES—
Consideration ................................................................ 4967
Murray-Darling Basin Plan Committee—
Membership ............................................................... 4968
REGULATIONS AND DETERMINATIONS—
Family Law (Fees) Amendment (2015 Measures No. 1) Regulation 2015—
Disallowance ................................................................ 4968
FIRST SPEECH ............................................................... 4978
BILLS—
Corporations Amendment (Financial Advice) Bill 2014—
Report of Legislation Committee ........................................ 4984
COMMITTEES—
Report ........................................................................ 4984
BILLS—
Regulator of Medicinal Cannabis Bill 2014—
Report of Legislation Committee ........................................ 4985
Medical Research Future Fund Bill 2015—
Medical Research Future Fund (Consequential Amendments) Bill 2015—
Second Reading ............................................................. 4985
ADJOURNMENT—
Indigenous Youth .......................................................... 5008
Randall, Mr Donald James ................................................... 5009
CONTENTS—continued

Schultz, Mr Albert (Alby) John................................................................. 5009
Workplace Relations ........................................................................... 5011
Perth Freight Link ............................................................................... 5013
Workplace Relations ........................................................................... 5016
Environment ......................................................................................... 5019
Aged Care ............................................................................................. 5021
Dementia ............................................................................................... 5021
Royal Commission into Trade Union Governance and Corruption ........ 5024
Health Funding ..................................................................................... 5024
Infrastructure ....................................................................................... 5026
Gun Control ........................................................................................... 5028
Malaysia ................................................................................................ 5029
Employment .......................................................................................... 5032
Ali, Mr John Harold .............................................................................. 5035
Workplace Relations ........................................................................... 5039
DOCUMENTS—
Tabling.................................................................................................. 5043
Tabling.................................................................................................. 5044
Indexed Lists of Departmental and Agency Files—
Tabling .................................................................................................. 5044
Tuesday, 11 August 2015

The PRESIDENT (Senator the Hon. Stephen Parry) took the chair at 12:30, read prayers and made an acknowledgement of country.

DOCUMENTS
Tabling

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

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

Indexed Lists of Departmental and Agency Files
Tabling

The Clerk: A document is tabled in accordance with the Senate order on departmental and agency files.

Details of the document appear at the end of today's Hansard.

COMMITTEES

Legal and Constitutional Affairs Legislation Committee
Meeting

The Clerk: A notification has been lodged for the Legal and Constitutional Affairs Legislation Committee to hold a private meeting during the sitting of the Senate today, from 1.45 pm.

The PRESIDENT (12:31): If no-one wishes for that motion to be put formally, we will continue.

Regional Processing Centre in Nauru Committee
Membership

The PRESIDENT (12:31): I have received a letter from party leaders requesting changes to the membership of a committee.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:31): by leave—I move:

That senators be appointed to the Select Committee on the Recent Allegations relating to Conditions and Circumstances at the Regional Processing Centre in Nauru as follows:

Senator Hanson-Young

Question agreed to.
BILLS

Medical Research Future Fund Bill 2015
Medical Research Future Fund (Consequential Amendments) Bill 2015

Second Reading

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

Senator McLUCAS (Queensland) (12:32): I rise to speak to the provisions of the Medical Research Future Fund Bill 2015 and the Medical Research Future Fund (Consequential Amendments) Bill 2015 on behalf of the opposition. These bills finally give effect to the government's stated intention to establish the Medical Research Future Fund, having announced its intention in the 2014-15 budget some 18 months ago. It is true to say that these bills have had a very long gestation period and now, it would seem, a fairly quick birth. I will leave that to others to explain.

The Senate Community Affairs Legislation Committee only held a hearing on 4 August 2015, just last week, and the report of the committee was only tabled yesterday afternoon. I certainly am hopeful that the speed that we are now proceeding with does not result in any errors, oversights or omissions. The haste with which this process is occurring does warrant an explanation, and I have to say it puts the crossbench in a somewhat difficult position to deal with the bills in the way that we are. However, I do wish to thank the secretariat of the Senate Community Affairs Legislation Committee, including staff who were co-opted for their work in conducting the hearing and also for the preparation of the report. I also thank those who wrote submissions to the inquiry and the witnesses who appeared.

I now move to the substance of the bills. As I said, these bills finally give effect to the government's intention to set up a Medical Research Future Fund, but they fail to meet the policy objectives the government itself set in announcing this fund. When it was first announced the government promised:

Fund earnings will be directed to medical research, primarily by boosting funding for the National Health and Medical Research Council …

But now it is clear that, instead, there is no formal role for the NHMRC in administering MRFF disbursements. The government has refused to work with Labor to consider how the NHMRC, an 80-year-old institution that has universal respect, could have a role in assessing applications and administering MRFF disbursements. The government has failed to do this, despite significant support from the sector for a formal process of expert review to be reflected in the bills and consistent support for some formal recognition of the role of the NHMRC. I intend to explore that support in some detail.

Labor agrees with some of the principles established in the bills and that a new health and medical research innovation strategy should be developed to set the agenda for the MRFF funding. But these bills allow for the minister of the day to make decisions that are not subject to the same sort of peer review that is followed by the NHMRC. Indeed, former NHMRC CEO Professor Warwick Anderson, now the secretary general of the international Human Frontier Science Program organisation, provided answers to questions on notice specifically
supporting a greater role for the NHMRC and a process of peer review to identify what is value for money and what is not. Specifically, Professor Anderson said:

I support the concept of the MRFF advisory committee setting the strategy for the MRFF through consultation, and the NHMRC administering the majority of the funding. When judging how to use public money for research only peer review can identify what is favourable and what is not. NHMRC's almost 80 years of effective, ethical and efficient service to the Australian community means that public trust in the MRFF will be maintained if NHMRC plays the major role in administering the earnings of the fund in accord with the advisory board strategy.

He goes on:

NHMRC's current act allows simple and recently established ways to proceed, if the MRFF funds are provided to NHMRC outside the NHMRC's Medical Research Endowment Account (as is the case with the current government dementia research initiative).

He concludes:

Coordination between the MRFF and NHMRC will be essential if the greatest good is be gained from the MRFF for the benefit of Australia.

The government itself promised that fund earnings would be directed to medical research, primarily by boosting funding for the National Health and Medical Research Council. So it is deeply concerning that, having spent more than a year talking about this fund, the government has not done the work to establish a fund that meets those principles the government first announced.

I acknowledge, through the consequential amendments, that the CEO of the NHMRC is to have a role on the Australian Medical Research Advisory Board, but there is not enough clarity to this point about how that will operate. The Senate is being asked a lot, in dealing with these bills, to take the government at its word. Despite not properly consulting and not establishing a bill that is based on comprehensive consultation and a robust funding mechanism, the Senate is being asked to trust that the government will sort these details out later. But, frankly, this government has proven itself to be comprehensively untrustworthy and to be capable of politicising almost any issue. Particularly in this department, this government has politicised almost every issue that has come in front of us.

So, what reassurances are there that this fund could not be used to support research into the health impact of wind farms or research into chemtrails. The minister of the day gets to make final funding decisions, based on no process of peer review to identify what is valuable and what is not. It seems that the Greens are happy to support this position—to support the minister making funding decisions not based on any independent peer review process, which leaves wide open the possibility of this government directing funding to its own pet projects to fund research into, as I said, the health impact of wind farms, and to fund its own election promises.

The risk in the way the government is seeking to set up this fund is not just that the best research—that is, the most meritorious research—misses out on funding but that the loudest voice at the table catches the minister's ear and is ultimately awarded funding for this reason alone. Dr Phoebe Phillips, the President of the Australian Society for Medical Research and a researcher into pancreatic cancer at the Lowy Cancer Research Centre, told the Senate Community Affairs Legislation Committee's inquiry:
We do a lot of work with the community and I think that taxpayers really want to know that their money is going towards funding the best possible high-quality research that delivers health outcomes. All the evidence based on peer review in this country—and we have done a lot of this work in this space with independent commissioned reports—suggests that NHMRC peer review has actually been very successful in delivering better outcomes.

Again, I think what we do not want to happen is the loudest speaker being able to approach the Minister for Health and say, 'I have this problem, let's get some money here.' It needs to be peer reviewed so that rigorous questions are asked to actually determine whether it is a feasible study, whether it is a clinical trial or whether it is basic research leading to a discovery trial. As pointed out, how is an individual, group or a team going to measure the outcomes and have an accurate time line which can be judged? I think that is the expectation of taxpayers.

In regard to NHMRC's integrity, they have been around for 75 years in this space and that peer review system has improved greatly over time.

We know that investment into health and medical research through the peer review has really put Australia as one of the leaders in health and medical research.

As I said earlier, it is not just Labor senators who have called for greater transparency, for a process of peer or expert review, and for a formal role for the NHMRC in administering disbursements. There were many witnesses at the inquiry who concurred with that view. I point senators to the Australian Clinical Trials Alliance, who told this to the committee, and also the Group of Eight Universities and the innovative university sector.

Returning to the specifics of the bills, and the way the government wants to make disbursements from the MRFF, the bills also allow for the Minister for Finance to direct credits to the MRFF Health Special Account for the purpose of making grants of financial assistance to medical research institutes, non-profit organisations, universities and corporations. This remains very concerning for Labor. Again, this means that without any oversight from an independent advisory panel, without a peer review process, without consulting the NHMRC, or even distributing funding at arm's length through the NHMRC, the government can for all intents and purposes direct credits from the MRFF to any pet project it wants.

We know that the idea for this fund came about just weeks before the last budget, which is something the government has been embarrassed about ever since. So you would have thought the Treasurer and Minister for Health would have actually done some policy work to properly develop this fund, but they have not. What is most concerning about the way the government is seeking to establish this fund is the lack of proper governance surrounding the way its disbursements will be made.

Labor, of course, are the biggest supporters of health and medical research in this place. We demonstrated this in government through a commitment of more than $3.5 billion in health and medical research funding. This included more than $700 million to build and upgrade health and medical research facilities right across the country. We also commissioned the landmark McKeon Strategic Review of Health and Medical Research, to provide a long-term vision for governments and for the sector. The review made it clear that a levy like the Abbott government's GP tax was not the ideal nor preferred method for funding medical research in Australia, and we continue to agree with this. That is also why we do not believe that the government should continue its freeze on Medicare rebates. The inevitable outcome
of this will be a GP tax worse than that proposed in last year's budget and a collapse in bulk-billing rates.

The McKeon review provides a 10-year road map as to how health and medical research can be supported for the benefit of all Australians, but these bills in no way reflect that vision. From Labor's perspective it is especially disappointing that the government has not used this legislation as an opportunity to pursue the recommendations in the McKeon review. Specifically, the government has missed the opportunity, firstly, to embed research into the health system and, secondly, to implement the review recommendations to establish integrated health research centres, accelerate clinical trial reforms and support health and medical research workforce retention—the training and support recommendations. It has completely missed the opportunity to support co-investment from philanthropic and other sources, and missed any opportunity to identify new funding sources. Mr McKeon recommended identifying 'other possible funding sources such as alternative debt finance, R&D tax incentives and levies, and schemes such as research prizes'. The government completely ignored those recommendations in establishing this fund.

The fund was meant to be operational on 1 January 2015. It is a reflection of the chaotic and dysfunctional two years we have had with this government that it has only now finally got around to introducing another one of its so-called signature policies. It really does beggar belief that, having not done the policy work in announcing this fund, delaying its introduction by more than six months, the government still has not done the work on setting up a fund with proper governance structures. It is emblematic, though, of how this government politicises every issue and of its chaotic and dysfunctional mismanagement of the health portfolio.

It is worth putting on record the cuts that have been made to support this fund. This is where the money is ostensibly coming from. Billions of dollars have been cut from public hospital funding; more than half a billion dollars cut from public dental programs; $400 million cut from preventive health programs; and hundreds of millions of dollars cut from the health flexible funds that support vital drug and alcohol rehabilitation services and important work undertaken by organisations like the Heart Foundation, the Cancer Council, the Consumer Health Forum and the Public Health Association. There have been cuts to veterans' dental and allied health programs, cuts to the Healthy Kids Check, cuts to the electronic health records program, cuts to the Partners in Recovery mental health program—and the list goes on. So Labor are right to be sceptical about this government's intentions. We have long said that we always support sensible measures to grow and support health and medical research, but not at the expense of sick Australians today.

While all this has been happening, Labor has been undertaking its own policy development process, consulting with health and medical research leaders and researchers across the country to develop the best system we can. We will move amendments to these bills that reflect those principles. Labor's amendments will add integrity to the bills and reflect in many ways how grants are administered by the NHMRC through its act. It beggars belief that, despite first promising that funds from the MRFF would principally be distributed through the NHMRC, the government has included no formal role for the NHMRC. I want to make it clear that while Labor will not oppose this legislation, because we do support health and medical research—indeed we are the strongest supporters of health and medical research in this place—we do not support a discretionary funding mechanism that leaves open the
possibility that the health minister of the day can just fund the projects of their choosing. In
government, Labor would seek to amend the NHMRC Act to ensure that similar processes are
followed for MRFF disbursements as we follow for disbursements from the Medical Research
Endowment Account.

Labor agree that research different from what the NHMRC has traditionally funded should
be funded through the MRFF, so we do support the development of a new Australian Medical
Research and Innovation Strategy as the basis on which these priorities can be identified and
projects that have a stronger focus on translational research, clinical trials, and
commercialisation can be awarded funding. We also agree that this additional investment
should be quarantined from the existing allocation through the Medical Research Endowment
Account, and we would make sure this is reflected. I will refer during the committee stage to
the intention of our amendments.

Labor has always supported, in word and in deed, health and medical research. Our health
and medical researchers do amazing work. For a country of our population size, we as
Australians can be proud of the research outcomes from our tax dollars. We can also be proud
of the results that our dedicated research community achieve. Labor supports building on this
success by growing the translational research that many in the community also support. But
the way the government has gone about getting to this point has been less than ideal. The time
between inquiry and tabling and now dealing with the legislation has been truncated, which
has been problematic for many, including some on the crossbench. The funding sources have
been divisive in the community, pitting the desirability of increased funding for health and
medical research against access to health services for people who are currently sick and need
support now. For one of this government's so-called signature policies, this has been a messy
process. The Australian research community will watch this government closely. The policy
intent must be achieved both now and into the future.

**Senator DI NATALE** (Victoria—Leader of the Australian Greens) (12:51): The Medical
Research Future Fund Bill 2015 and the Medical Research Future Fund (Consequential
Amendments) Bill 2015 establish the Medical Research Future Fund, which involves the
crediting and debiting of funds and the governance and administration of the fund itself. The
Greens are strong supporters of health and medical research and we support the intention of
the Medical Research Future Fund—that is, strategies that will prioritise and foster innovation
and translational research. Health and medical research represents some of the very best of
what Australia can offer and some of the very best of the economic opportunities for the
generation ahead. It is with some pleasure that I can say that in my hometown of Melbourne
we have some of the greatest medical research minds in the country. We have people like
Professor Brendan Crabb from the Burnet Institute and Professor Doug Hilton from the
Walter and Eliza Hall Institute of Medical Research, all of whom have been not only
incredibly important contributors to the medical research effort in the Australian nation but
also very strong advocates and supporters for the establishment of a medical research future
fund.

It is the Greens' view that a 21st century economy needs to be built on our minds, not
simply on minds. We have the clinical research capacity that exists in very few countries
across the world that allows us to be able to conduct the sort of groundbreaking research that
is not just simply elemental research but carries right through the spectrum to translational
research and commercialisation. The Greens spoke in the election of a science package that would commit three per cent of GDP to research by the year 2020. It is a package that consists of a combined $750 million boost to the Australian Research Council and to national cooperative research centres, funding for indirect costs associated with health and medical research—and that is a huge drag on medical research in that the research is funded but the indirect administrative costs are not—moving towards default five-year grants in ARC and NHMRC through those grant processes and ensuring that we recognise people with a proven track record, $342 million to reverse the cuts that the government implemented to the Sustainable Research Excellence program and another several hundred million dollars in the area of a national research infrastructure facilities council. I could go on. There would be opportunities for international collaboration, ongoing future fellowships schemes, open access publishing of government funded research and more targeted support for commercialisation.

That leads on to one of the great advantages of something like the Medical Research Future Fund, which has a very strong focus not just on primary elemental research driven research but on identified strategic areas where we can move to bridge the huge gap that exists between those primary areas of research and translation and commercialisation.

I do understand that people have expressed some concerns around the proposed legislation that is before us. Certainly the Greens raised very serious questions about what the primary driver of the genesis of this legislation was. It was implemented at a time where we had a government that was very keen to introduce a GP co-payment and it is very hard to escape the conclusion that this was drafted after that decision in order to sweeten what was a very poor area of public policy. However, the Greens, like many people within the medical research community, were keen to ensure that one of the very few good ideas that has come from this government was not jettisoned simply because it was associated with one area of poor policy. We understand that some other issues have been addressed around the bills—issues of governance, how we define translational research and the role of the NHMRC in the process—and I will talk to those in a moment.

It has to be said, though, that this fund is a fund that sits amongst some other areas of government policy where this government has been prepared to go in precisely the opposite direction to the direction that we appear to be going in here when it comes to medical research. Look at climate change, for example, and the backward steps that we are taking in investing in the sort of research that needs to be done in order to ensure that we are able to mitigate and adapt to catastrophic global warming. Look at the lack of investment in our university sector, cuts to the CSIRO and to R&D budgets and so on and you will see a government that is underinvesting in the sort of transformation that is necessary in order to drive a modern 21st century economy.

Going to the details of the fund, which is one small, shining light in a long tunnel of darkness, we have a fund where we will see $400 million available over the four years until June 2019, and of course we want to ensure that good governance and review processes accompany this package. In fact, our amendments have sought to ensure that what we do get is an improved governance process as well as a return on some of the serious commercial gains that might be made as a result of public investment. As I said, I think it is important to ensure that, given there is a debate about the role of the NHMRC in this process, it is understood that the Medical Research Future Fund does have a different focus to the
NHMRC. As somebody who has been a long-time supporter of the NHMRC, an organisation that has a very long history of safeguarding and supporting health and medical research and giving advice to the community and government on drafting guidelines on so many important areas in health, I think it is important that we establish governance processes that are robust. To that end, it must be said that there are concerns around the degree to which the governance processes will leave this fund open to political interference, and I think we need to address that issue head on.

The first thing to say is that the NHMRC itself is not immune to government interference, despite its very impressive track record and despite its being an organisation that has shown itself to be an exemplar in many areas of scientific research. The NHMRC is now committed to investing several hundreds of thousands of dollars into research on the impact of wind turbines on people's health. The point here is that it is impossible to protect any organisation from political interference, and we know that the history of that decision was a decision that was very directly influenced by political considerations. However, we are assured that one of the changes to the legislation is that the bills require the advisory board—and let us be clear that there is an independent advisory board—will be established to administer these funds. That board will be made up of medical and scientific experts, all of whom are very protective of their professional reputations and would take very dimly to the suggestion that their decisions will be influenced based on political considerations, but the legislation does require the advisory board to take into account the NHMRC's national strategy for medical research and public health research—that is, it will be directed by those priorities that have already been identified by the NHMRC.

We now know that Professor Kelso, the CEO of the NHMRC, will be given the opportunity to contribute to the development of the strategy that will guide the decisions of the advisory board—that is, the Medical Research and Innovation Strategy. The NHMRC will play a key role in drafting that strategy through Professor Kelso, who will be part of that advisory board. In her role as the CEO of the NHMRC she will ensure that the Medical Research Future Fund and the NHMRC strategies are aligned and complimentary. Professor Kelso has also reassured us that she will be able to draw on the NHMRC's wealth of experience and advice from its council and principal committees, and it will be critical to have her involvement on the advisory board.

The next thing that needs to be said is that Professor Kelso has also said that, if any Medical Research Future Fund funds are directed to the NHMRC for disbursement, the NHMRC will adapt those processes and draw on whatever expertise is necessary to make particular recommendations to government. I urge the minister to ensure that that suggestion is taken up, with an undertaking to exercise that as a principle across the board. Having the NHMRC's CEO on the decision-making panel is critical, and we are satisfied that that will make a significant difference to the decisions and the complementarity between the NHMRC and the Medical Research Future Fund.

We think there is a role, though, for some government discretion. We take Senator McLucas' points about the concerns, but we have been reassured that those concerns have been addressed through the advisory panel and the role of NHMRC on that advisory board. There are times when governments do need to determine the research priorities very quickly. In fact, we heard from the Association of Australian Medical Research Institutes, which
described the example of a global pandemic where there is an imperative to direct our research priorities, for example, towards the development of a vaccination or other time critical research priorities. There it is necessary that there should be some flexibility for governments to be able to intervene in extraordinary circumstances, and there is a consensus that any involvement from government should be on the basis of an extraordinary circumstance like that rather than being the default position. Again I reiterate that the reputations of very distinguished medical researchers and scientists as well as the CEO of the NHMRC are at stake should political imperatives influence the decisions of the Medical Research Future Fund.

I think that it is also important to note that the investment that is contained within the Medical Research Future Fund will be determined by a similar investment mandate to that determined by the Future Fund. It will differ around return and so on, but one of the things that the Greens have been very keen to ensure is that the Future Fund's policy—something that was achieved through the advocacy and work of the Greens—of not investing in tobacco products would be something that would apply to the Medical Research Future Fund. In fact, we have been assured that, while the Medical Research Future Fund can invest in any financial instrument, it would also act consistently with the Future Fund's policy around excluding investments in tobacco companies and cluster munitions. The Medical Research Future Fund will maintain a list of entities that are excluded under the board's ownership rights and the ESG risk management policy that applies within the Future Fund—that is, an exclusion on tobacco companies and cluster munition companies. We are pleased that that change has been made.

Let me conclude by saying that we absolutely understand the concerns that have been expressed by the Labor Party in terms of the risk of political interference. We have worked to ensure through our amendments that that risk is minimised. We have also worked to ensure through our amendments that there may be some potential for Australians to get a return on any successful project—by the word 'successful' I mean a commercially successful project. There should be some capacity for the Australian community to get a return on that investment. We have also—through amendments suggested to the government that we will discuss again later in the committee stage—sought to ensure that NHMRC funding is protected and that this Medical Research Future Fund is not used as a vehicle through which to shift investment dollars away from entities like the NHMRC to direct them towards another fund.

In summary, we support the concept of a medical research future fund. We think that it is important to prioritise investment in translational funding and the commercialisation of projects. It is one of the very few good ideas that this government has come up with over its brief and chaotic period in government. It stands in direct contrast to the agenda it has to cut investment in funding science, research and innovation. But, where there are good ideas, the Greens are prepared to support them and we look forward to continuing this debate during the committee stage of the bills.

**Senator SMITH** (Western Australia) (13:07): It was the last bit of Senator Di Natale's contribution that I think was the most important. He committed the Australian Greens to looking carefully at, and even supporting, good ideas when they come before the Senate.
Certainly, I and other government senators look forward to encouraging the Australian Greens to support those good ideas that come from the government and that are brought to this place.

It is my pleasure also to rise this afternoon to speak on the Medical Research Future Fund Bill 2015 and related bill. This legislation will give effect to what I believe will come to be viewed as one of the government's landmark achievements: the establishment of a $20 billion Medical Research Future Fund. This represents a massive investment in Australia's medical research community, which has always punched well above its weight in global terms when you consider the size of our population.

This is an important initiative for a couple of reasons. The first of these relates to the future needs of our own nation. This is very much a piece of economic legislation. As the fourth Intergenerational report confirmed earlier this year, healthcare costs in Australia will continue growing significantly in the years to come as our population ages. It is very much in our own interests to promote the type of research that will help to cure or, at least, lessen the impact of chronic illnesses that afflict members of our community. We know that Australians are going to be living longer. Our challenge is to make certain that they are living quality, healthy lives, as well as living longer ones.

By investing in medical research we can determine the effectiveness of a drug or form of treatment so that taxpayers' money is not being unnecessarily spent on things that do not work. But, more than that, this is the sort of investment that will allow Australia's medical research professionals to shine in a global context. Australian ingenuity has been a critical part of internationally significant developments in the field of medical research. For instance, think of Howard Florey, who carried out the first clinical trials of penicillin in 1941, an act for which he later shared in the Nobel Prize for medicine. Today, we can take it for granted that our injuries can be bandaged and our wounds will heal, with little risk of infection. But that was not always the case of course. Death from wound infection was a significant issue prior to the mid-1940s.

Establishing this fund is about helping to unlock the potential of medical research in Australia. I am utterly confident that there is another Howard Florey out there and that the intelligence and work ethic that abounds in Australia's medical research community will play a big role in the eventual cure of diseases such as cancer, diabetes, HIV and the like. That is why this legislation is important. It will be transformational, not just for the 23,000 Australians who work directly as medical research professionals but also for the medicines industry that supports those people and that itself employs nearly twice as many Australians.

The structure of the Medical Research Future Fund will also specifically address some of the concerns identified in the Strategic review of health and medical research, published in February 2013. That review, led by Mr Simon McKeon AO, clearly set out the need for Australia to have a more strategic model to get the best health results from its research efforts. The McKeon review identified a particular need to create greater linkage between healthcare providers and research organisations by 'fundamentally embedding research within healthcare delivery'.

The review set out a case for placing far greater emphasis on priority-driven research, to help bridge some of the gaps between research excellence and translation of research into applied technologies and practices. This requires additional investment in translating research findings into bedside applications. It requires more commercialisation and stronger
partnerships between researchers and health practitioners, including hospitals and GPs. Importantly, it will support investment across the research spectrum, from laboratory research to clinical trials, the commercialisation of new drugs or devices, the translation of new techniques or protocols into clinical practice and public health improvements.

All told, the Medical Research Future Fund will provide some $400 million for distribution over the next four years. And it is worth noting, I think, that this investment is additional to existing government support for direct medical research activities. However, the MRFF will be structured in such a way that it will meet specific purposes, consistent with the coalition government's overall investment approach in medical research and innovation.

Importantly, the MRFF will be governed by an especially rigorous set of accountability measures. This government believes that taxpayers' funds are a precious resource and that they should be allocated wisely, based on expert advice and strong governance arrangements. The government underscored its commitment by making a series of amendments to the bill when it passed through the House of Representatives, all designed to strengthen accountability and transparency.

Under the terms of this bill, the Medical Research Future Fund will be managed by the Future Fund Board of Guardians. This will mean the fund is in the hands of a body that has a strong, proven track record when it comes to managing investment portfolios on behalf of the government or, more accurately, on behalf of the Australian taxpayer. For instance, under the board of guardians' stewardship, the Future Fund has grown from approximately $64 billion, at its inception in 2006, to around $117 billion as of March this year, an annualised rate of return of around 8.2 per cent. I think it would take a very brave politician to dispute the success of the Future Fund. The board of guardians will be required to adhere to the same accountability frameworks that this government has in place for all Commonwealth bodies. This includes the publication of annual reports, audited financial statements and quarterly portfolio updates reporting on the fund's performance. Projects funded by the MRFF will be publicly disclosed online, consistent with the government's reporting frameworks for grants.

On the issue of parliamentary accountability, the Minister for Health will be required to prepare a report every two years, that will set out all funding provided by the government for medical research and innovation from the MRFF, and to explain how the funding is consistent with the strategic objectives set out by the fund's advisory board. That strategy is subject to a review every five years and will take account of national health policy needs, gaps in current investment and the timing needed to make certain the nation is obtaining best possible value from our spending on health, medical research and medical innovation.

In terms of ministerial oversight, the finance minister will be responsible for ensuring funds disbursed by the MRFF are done so in a manner that is consistent with the government's overall policy objectives. In this regard, the finance minister will work closely with both the Treasurer and the Minister for Health, who will oversee the flow of funds through the two accounts applicable to the MRFF—the COAG Reform Fund and the Health Portfolio Special Account.

Of course, there is always a need to maintain independence in research activities, and nothing contained within the provisions of this legislation will threaten the independence of research activities. The coalition government is committed to all investment activities undertaken by the Future Fund board, remaining independent of government. Ministers will
not be involved in investment decisions. The Future Fund board will apply the same principles to the investments of the MRFF as it does to other government investment funds for which it is responsible, including the Future Fund. Of course, the Future Fund board will be required to actively manage risks and not take decisions that are likely to jeopardise the investment taxpayers are making in the MRFF. Once the MRFF is established, the board of guardians will advise the Minister for Finance each year of net earnings which can be withdrawn from the fund to invest in medical research and innovation projects. As per usual, long-established practice, the government will then decide, though the annual budget process, how best to use these funds to support priority areas.

The establishment of the Medical Research Future Fund is something of which this coalition government is very proud. Indeed, I suspect that every Australian will find themselves very proud of this particular initiative as time passes. By making this long-term commitment to ensuring excellence in medical research, we are taking an important step not only in the advance of medical science in this country but also in putting Australia's health system on a more sustainable footing. I am sure all of us in this Senate chamber look forward to the day when, as a result of investments made though this fund, an Australian researcher contributes to curing a dreaded disease, helping people both here and internationally lead longer, healthier and more productive lives.

It is estimated that for every dollar invested in medical research, the community derives a benefit worth $2.17. By establishing this fund, we are going a long way to locking in enormous health and research benefits for the generations of Australians both now and into the future. With those remarks, I commend the bill to the Senate.

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (13:17): I too rise to speak today on the Medical Research Future Fund Bill 2015 and related bill. These bills finally give effect to the government's intention to set up a Medical Research Future Fund, the MRFF. And I say 'finally' because this fund was supposed to be operational by 1 January, some eight months ago.

It is a sad reflection on the chaotic and dysfunctional two years we have had with this government that it has only now managed to introduce another one of its signature policies. Yet they have time to create knights and dames and to protect hate speech—and how many attempts have they had to introduce a GP tax? This government is so inept that it has no control over its own legislative timetable. This government is setting new lows in getting legislation through this place. A recent report by The Sydney Morning Herald demonstrated that this government has been the least effective government in almost five decades—less effective than even the McMahon government. No wonder it has taken so long for these bills to come before us today.

It is deeply concerning that, having spent more than one year talking about this fund, the government has not done the work needed to establish a fund that meets the principles the government itself outlined. Unfortunately, what the bills before us today fail to do is fulfil the government's promise when the fund was announced: 'fund earnings will be directed to medical research, primarily by boosting funding for the National Health and Medical Research Council, the NHMRC'. And it is here that it is important that we acknowledge just how well the NHMRC has served our nation.
The NHMRC has established internationally respected and transparent processes over more than 80 years, and Labor believes the existing mechanisms establish the best process through which the highest quality health and medical research can be funded through MRFF disbursements. The bills before us today only reference that the health minister 'could' ask for the NHMRC to manage distributions from the Medical Research Future Fund. It is no guarantee that the health minister will ask the NHMRC to manage distributions. And, given the government's track record of wanting to control such funding, there is the potential that the MRFF will become a slush fund for the health minister, just like Minister Brandis's arts slush fund.

Labor senators do not agree that decisions regarding the projects and programs awarded funding should sit wholly with the minister of the day. It is obvious that such a practice would be inconsistent with the way existing grants are awarded by the NHMRC, and inconsistent with international best practice in awarding grants to the highest quality projects based on a process of peer review.

Furthermore, the bills also provide that the finance minister can credit funds to the COAG Reform Fund for making payments to the states and territories for expenditure on medical research and medical innovation, including application and commercialisation activities that translate discoveries to new treatments and practice; and corporate Commonwealth entities outside the general government sector, such as the CSIRO. In addition, while the health minister can delegate responsibility for providing funding to institutions such as universities or medical research institutes, the health minister does not have to use this delegation.

Finally, the Minister for Finance can also direct credits to the MRFF Health Special Account for the purpose of making grants of financial assistance to medical research institutes, non-profit organisations, universities and corporations. Given the flexibility the government is allowing itself as to how funds can be allocated, it leaves open the question as to just what exactly this fund will support. Without any oversight from an independent advisory panel, without a peer review process, without consulting the NHMRC or even distributing funding at arm's length through the NHMRC, the government can, for all intents and purposes, direct credits from the MRFF to any pet project it wants. This all sounds very similar to concerns with Minister Brandis's arts funding changes. We know that the changes to arts funding are destroying the sector because of an ill-thought-out process which has vague guidelines and fails to provide appropriate criteria for assessment and basically becomes a private arts fund for the minister.

Back to the MRFF. In short, the government can send the funding to pretty much anywhere they choose with no independent advisory panel to oversee. It is very concerning—in fact, it is quite alarming to us on this side—that a large part of future medical research in this country can be at the sole discretion of the government to use for political purposes. It is a pretty ironic move from a government that is ideologically opposed to picking winners. The government is seeking to establish this fund without proper governance surrounding the way its disbursements will be made. So, how is this good for government?

Maybe those opposite can remind this place when good government is meant to begin again. I think it was six months ago that I heard that quote for the second time. 'Good governance starts today,' was, I think, the quote, but of course we are still waiting. Labor, of course, is the biggest supporter of health and medical research in this place. We demonstrated
this when in government through a commitment of more than $3.5 billion in health and medical research funding. This included more than $700 million to build and upgrade health and medical research facilities across the country. Also, when in government, Labor commissioned the landmark McKeon Strategic Review of Health and Medical Research to provide a long-term vision for governments and the sector because Labor believes that medical research should be guided by a long-term vision, by guidance from experts, and be overseen by good governance. Those were our policies.

The McKeon review provides a 10-year roadmap as to how health and medical research can be supported for the benefit of all Australians. The review also made it clear that a levy, such as the Abbott government's GP tax, is not the ideal or preferred method for funding medical research in Australia and we agree. This is also why we oppose the government's freeze on Medicare rebates and call for it to be abandoned. The inevitable outcome of this freeze will be a GP tax worse than that proposed in last year's budget and a collapse in bulk-billing rates.

It is really saddening to see just how dysfunctional the government's mismanagement of the health portfolio has been. It is clear that this government does not believe in the principles of universal health care. It opposed universal health care when Whitlam introduced Medibank, which it overturned when Malcolm Fraser became Prime Minister. And this government does everything it can to strip funding away from health programs.

I would like to put on record some of the cuts that have been made to health to support this fund. They include more than half a billion dollars cut from public dental programs; billions of dollars cut from public hospital funding; almost $400 million cut from preventive health programs; hundreds of millions of dollars cut from the Health Flexible Funds, which support vital drug and alcohol rehabilitation services and important work undertaken by organisations like the Heart Foundation, the Cancer Council, the Consumer Health Forum, the Public Health Association and others; cuts to veterans' dental and allied health programs; cuts to the electronic health record; cuts to the Pharmaceutical Benefits Scheme, including the proposal that is still before the Senate to increase the cost of medicines by $5 for all general patients and 80c for concessional patients, as well as unfair changes to the PBS safety nets; cuts to a number of important health workforce programs; cuts to optometry programs—not to mention cuts to the Healthy Kids Check.

Now, let us just look at the impact of one of those issues. Having worked in early childhood education I am appalled at the axing of the Healthy Kids Check. This is a comprehensive health check for children aged three to five, which has been scrapped by the federal government to save about $144 million over four years, angering GPs and speech pathologists, as well as parents of young children. The Abbott government axed Medicare funding for the Healthy Kids Check, which is a consultation with a nurse or a GP to assess a child's health and development before they start school. The scheme includes assessments of a child's height and weight, hearing, eye sight, oral health, toilet habits and known or suspected allergies. Also, it helps parents to understand the risk of anaphylaxis and how to prevent it. In 2014, 154,000 children used the program. Medicare pays between $58 for a Healthy Kids Check consultation with a nurse and $269 for an hour with a GP, depending on the child's needs. According to a study published in the Medical Journal of Australia in 2014, the check was detecting problems in about one in five children. The most common problems identified
related to speech and language, followed by toilet habits, hearing, vision and behavioural issues.

Other organisations concerned include the Royal Australian College of General Practitioners, which stated it was disappointed by the federal government's decision, which was made without consulting GPs—what a familiar record they have on that side about that. Also Speech Pathology Australia has stated that scrapping a check that facilitated early intervention services for children with problems before school made no sense at all. In fact, I would say, having previously spent 12 years as an early childhood educator, that it is likely to lead to worse educational outcomes for children who go to school with undetected health problems. Economically, you have to think about the costs involved and about how much money could be saved through early detection. Obviously there could be a cost saving through early detection.

None of this makes any sense—it does not make any sense at all to me but that is like so much of what this government does. These are important programs which should be supported and should not have been axed, but, unfortunately, this government just wants to cut health whenever it can.

The bills we are debating today—the Medical Research Future Fund Bill and the Medical Research Future Fund (Consequential Amendments) Bill—were inquired into by the Senate Community Affairs Legislation Committee. Labor senators made additional comments in the final report, and I would just like to mention some of these today. Labor senators commented:

Labor Senators support the establishment of the Medical Research Future Fund as an opportunity to expand Australia's health and medical research sector, especially in that it provides an opportunity to implement some of the recommendations of the McKeon Review …

Importantly:

Labor Senators however see the MRFF as a missed opportunity to pursue many of these recommendations due to the rushed and poorly developed proposal the Government has developed—yet again—
giving no consideration to McKeon's recommendations to attract philanthropy and new funding sources, or indeed define the recommendations in the original Bill.

… … …

Labor Senators agree that the types of research that should be funded through MRFF disbursements is different from what the NHMRC has traditionally funded, especially when it comes to commercialisation and translational research. Labor Senators also recognise that through the NHMRC's existing committee structures this capacity is lacking which is why Labor Senators support the development of the Australian Medical Research and Innovation Strategy and the Australian Medical Research and Innovation Priorities.

However:

Labor Senators do not support the transfer of existing funds within the Health and Hospitals Fund transferring to the MRFF…

The Health and Hospitals Fund was 'established for different purposes' and should not be raided to fund the MRFF. Labor will:

… seek to make a number of amendments to the Bills to establish a more robust assessment process. Labor's amendments establish the inclusion of a process of expert review to ensure that the highest
quality research is rewarded, rather than—potentially politically motivated and influenced by the 'loudest voices'—decisions being made by the Minister of the day and subject to no independent oversight and with little transparency.

A Labor Government would seek to amend the NHMRC Act to ensure that, whilst the MRFF Special Account were to remain independent, the role of any MRFF advisory committee would be reflected in the NHMRC Council structure with the same sort of rigour applied to funding assessment as the NHMRC does through its existing grants streams.

This government could have done, and should have done, a whole lot better with these bills, especially given the delay in bringing them before the parliament today. I encourage senators to carefully consider Labor's amendments and to support Labor's amendments to the bills.

Senator GALLAGHER (Australian Capital Territory) (13:32): I welcome the opportunity to speak on this important legislation, the Medical Research Future Fund Bill 2015 and related bill. I would like to start by making some comments on this government's attitude to science since coming to power. I have listened to others who have participated in this debate and one could take from the comments from government members that this government is the biggest supporter of science and evidence based research informing policy decisions that the country has ever seen. But, if you go back and look at what has happened in terms of attacks on science, attacks on scientists and cuts to science and research across Australia since 2013, the record tells a much different story.

Certainly some very well documented analysis has been done around this. In my home town of Canberra we have seen the attacks that have been waged against CSIRO, with the loss of 600 jobs and over $111 million cut out of their budget. We have seen $75 million cut from the Australian Research Council. The CRCs have taken enormous cuts. The Institute of Marine Science has taken a cut. The Defence Science and Technology Organisation took a $120 million cut, the Australian Nuclear Science and Technology Organisation took a cut of over $27 million, and Geoscience Australia took a cut of $36 million. Of course, that is in addition to some of the attacks that we have seen on the university sector from this government. So, whilst we certainly welcome the government's attention to providing a revenue stream for medical research, we need to see that in the context of the government's broader attitude to science, the role of scientists and how evidence based science is then translated into public policy decisions.

Having been a health minister for some eight years, I understand very much the important role that research takes in informing the health services that are delivered across our community. I recall very starkly a piece of research that was done into radiation therapy for people having treatment for breast cancer and how research actually informed and underpinned a change to the way radiation therapy was provided to those breast cancer patients. It changed the type of treatment they had and the duration of that treatment. That not only provided a better experience for the women undergoing that treatment but also cleared the waiting list for radiotherapy breast cancer patients in a very short time. That was because the radiotherapy was truncated to a much shorter, targeted program. So it had benefits not only for the patients but also for the efficiency of the health system. That is just one example. I am sure all of us in here could talk at length about all the other research that has gone into the contemporary delivery of health services.
The CSIRO, in their submission on this legislation, said that Australia's health and medical system is a major part of the economy. Expenditure on health in Australia was estimated to be $130.3 billion in 2010, dramatically up from $77.5 billion in 2000. This expenditure trajectory has continued to grow between five and eight per cent per year in the last couple of years. This is due partly to an aging population but is also due to the increasing burden of chronic disease that has been experienced across Australia. The CSIRO went on to say:

Australia's health system must become more efficient to provide the health services that Australians expect and more innovative in using new technologies to improve health outcomes and dealing with emerging health issues and trends.

I think all of us standing here in support of this legislation today would accept that analysis.

As previous Labor members have said, the Labor Party will support the establishment of this fund and the improvements that will be made through Labor's amendments. It is very important that we embed research as a part of the health system and not have it seen as a sweetener to some of the other cuts. Looking at the origin of this fund, it came as the centrepiece, essentially, of a savage budget that sought to make a whole range of cuts to families across Australia not only through the social welfare system but also through the health system. It was this budget where the Medical Research Future Fund emerged. That was, of course, the first budget that looked at a GP co-payment mark 1, and we have seen various versions of it over the past 18 months but now it is in place with the indexation freeze on Medicare rebates. So, yes, research needs to be part of any modern, efficient and innovative health system, but it cannot be used to play off one side against another—which was the role of this initiative when it emerged.

There is no doubt that we need to be investing in research. But can we invest in research whilst we are cutting hospital funding, dental funding, preventative health programs, the flexible fund, e-health—which will actually help to deliver an efficient and innovative health system—and the health workforce? There have been those attacks on primary care that have been underway over the past 18 months. You can feed your research arm as much as you like, but it will not help if you do not have a system that is actually able to deliver health services to the community.

In some of the submissions and comments on the bill's, other stakeholders have identified the importance of having a consistent and stable funding source going into medical research. The submission from the Association of Australian Medical Research Institutes talks of needing this fund but ensuring that it is not hijacked by anybody—government or future governments—to pork-barrel nor hijacked by special interest groups or state governments wanting to backfill clinical care. These are all important points that need to be acknowledged. I think that has flowed through the inquiry, which has looked at the need for very strong governance arrangements to be in place and independence from the arms of executive government. This is certainly a position that the AMA endorses. Others have also cited concerns that the medical research community is already organising how it will get money from this fund. With the amount of money involved and the ability for the private sector, the community sector and other health providers to be interested, there is absolutely no doubt in my mind that this fund and calls on it will be heavily oversubscribed. Again, this points to the reason to have really strong governance in place and a very strong, independent process that is
tried and tested and will withstand some of the pressures that will come from this amount of money being available for research.

The process for allocating grants under the proposal, as outlined, although I acknowledge that there have been some amendments made in the House, is a broad process in terms of the definitions, but there is also the concern I raised as to how decisions around the grants process are taken and managed. There is without doubt, and others have spoken of it, a legitimate role here for the NHMRC, which is a tried and tested model. Since its establishment in 1926, it has had a pre-eminent reputation as to how it manages and allocates the existing funds. It is hard to understand why it could not be used in a more permanent way.

Having the chair of the NHMRC sit on an advisory council probably acts as a way to say, 'You have addressed that concern,' but anyone with an understanding of strong governance processes and how the NHMRC works would see it for what it was: a tokenistic acknowledgement of the chair and the chair's role rather than having it come under the formal structures of the NHMRC.

There is no doubt it is business that the NHMRC understands: it focuses on current and future public health issues. It already has relationships well established across Australia for delivering health grants. When you look back at the mid-year economic update, or it might have been the budget, a whole range of committees and structures were abolished. In fact, it was part of a key agenda from the finance minister to cut red tape, abolish all these bodies, streamline processes and make doing business easier. The government uses that argument and, at the same time, for this important body that is to be established, it would go around the body that has the skills and expertise to actually administer this fund, albeit under a different way with the special purpose fund, and look to establish another group which has an advisory role to the minister, but the minister, ultimately, takes the decisions. Then it goes to a cabinet process where, no doubt, it could be fiddled with again and perhaps put a whole lot of focus on wind farms, for example. The health impact of wind farms probably needs at least another 15 studies done into it, for argument's sake. So it could be said by government that this is the avenue that this money could go to instead of focusing on what it needs to be doing: allowing those with the expertise and skill in the area to go through their established grants allocation process, which is peer reviewed and the best model to deliver the research that aligns with Australia's current and future health needs.

I might leave my comments there. I look forward to listening to the debate and, hopefully, to seeing the Labor amendments supported, which will strengthen the governance and independence of this fund and make sure that it can be used for what it needs to be used for. The government needs to apply focus rather than a scattergun approach to research. Use the NHMRC—it is there. At the same time we must also continue to argue for the effective and full funding of the health system. There is absolutely no point in having a well-resourced research sector if you are savaging the delivery arm of the health system at the same time and making sure that it is not in a position to deal with the continually growing need for health care. That need is not just in hospitals. It is right through—in community health, primary care, palliative care and outpatient services—and the demand is growing every year. Technology is supporting that growth, but we have to make sure that we are not savaging one part of the system to sweeten up the other.
Senator BACK (Western Australia) (13:46): I rise very, very proudly to support the Medical Research Future Fund Bill 2015 and the Medical Research Future Fund (Consequential Amendments) Bill 2015. As a person who once had a kindred relationship with medical research I hope that this initiative of the Australian government will be strongly supported by everybody in this chamber, that we will see it pass through this chamber and that, in so doing, it will come into law. Senator Cameron was somewhat amused by my veterinary reference, but he may well know that 75 per cent of all infectious diseases in human beings have their origin in animals. Again I am very proud to say as an aside—and I hope that, in fact, the future fund might pick up on this issue—that Australia has moved and is moving to a One Health approach.

I want to commence by reflecting on the excellence of the history of medical research by Australians, because it sets the scene for this visionary move by the government, led by the Treasurer, in establishing this future fund. I commence in 1945 with Professor Baron Howard Walter Florey who, with his collaborators, won a Nobel prize for the discovery of penicillin and its curative effect in various infectious diseases. In 1960 Sir Frank Macfarlane Burnet won his Nobel prize for acquired immunological tolerance. In the world of immunology one can only think of Professor Gustav Nossal, who has demonstrated an enormous capacity for Australians in the field of research—indeed, he is internationally acclaimed and has brought great credit to his country. I go on: the Nobel Prize in Physiology or Medicine in 1970 was awarded to Sir Bernard Katz, again in that particular area for transmission in nerve terminals and inactivation. In 1996, I am very proud to say, a fellow veterinarian, Professor Peter Charles Doherty, received his Nobel prize, relating to the specificity of cell-mediated immune deficiencies.

We go forward to 2005 when—again I am very proud to say this as a fellow Western Australian—Professors Barry Marshall and Robin Warren received the Nobel prize for their work in determining and confirming the fact that the bacterium *Heliobacter pylori* is responsible for gastritis and peptic ulcers. In fact, so committed was Professor Marshall to proving this theory that he ingested a serum of the bacterium *Heliobacter pylori*, contracted severe acute gastritis and peptic ulcers and then treated them. Indeed, that led to the Nobel prize they won. Then we go even further to 2009 with Professor Elizabeth Blackburn and her collaborators, Professor Carol Greider and Jack Szostak, for their work with chromosomal anatomy and functionality.

Australia has a very proud history of medical research, and the future fund builds on that proud tradition. We have always punched well above our weight, and the establishment of the future fund is going to allow further opportunity in this area.

We know that with an ageing population that is much more active into older life—indeed, younger people are far more physically active recreationally—there are increasing demands on health. I remember it being said to me four or five years ago that, the way the Queensland public health budget was going, by 2025—if no changes were made—the entire state revenue would be required just in the health sector. But the future fund, though not on its own, will significantly contribute to the containment of costs.

What are we going to see in this particular circumstance? We are going to see Australia continue to advance world-leading medical research projects to attract and retain first-class researchers and to deliver improved health and medical outcomes—not just for all Australians
but for all those within our region. Going back to the question of One Health, I think of the Hendra virus which has killed veterinarians and a couple of racehorse trainers and horses, and is very closely related to the Nipah virus, which has killed children in Malaysia, Bangladesh and India. So it will not just be to the benefit for Australians—it will be a benefit for all, especially those within our region.

The second point to be made is that we often hear about the 'brain drain' of our top young researchers leaving Australia to go and work elsewhere because they do not have the opportunities; the future fund is going to give us the opportunity to attract the best young brains to come into this country because they will want to work with it. The fund will support the sustainability of our health system well into the future. All Australians will benefit from ongoing investments in medical research and medical innovation through the fund, both directly through improved health and indirectly through improved productivity and economic growth. This brings to my mind CSL—the Commonwealth Serum Laboratories, as they were once known, a company that is now international, with its world-leading researchers and commercial developers of vaccines in both the human space and the animal and animal production space.

This gives me the opportunity to say that the future fund is going to generate a whole stack of new business opportunities, and we know that one of the new growth centres announced by the Minister for Industry and Science, Mr Macfarlane, is directly related to medical innovations and research and commercial opportunities. This is all coming together so well in this particular space.

I again compliment the executive on the way in which they have established the concept of the fund which will allow the capital to be invested by the Future Fund Board of Guardians—and what an outstanding group they have been and continue to be. I saw some figures on the weekend on the investment success of the Future Fund against all other superannuation funds in this country. If my figures are correct, the Future Fund has been performing at an average of in excess of 8.8 per cent return on funds invested; whereas the average of all superannuation funds has been only a shade over five per cent. So what better hands in which to place the fund than those of an already proven organisation, with a set of circumstances and a model already in place so that we do not need to generate a new wave of bureaucracy to have responsibility for the capital component of the new future fund.

We know that there will be a special account which will allow for earnings to be distributed from the future fund to the health portfolio special account, to corporate Commonwealth entities or to the COAG reform process to address medical research and innovation priorities. What are we going to see in this instance? We are going to see the build-up of capital into the future fund. It will eventually get to some $20 billion, and that $20 billion of capital will be protected. Only the interest accruing from that capital will eventually flow into medical research. So why is it important for us in this place today to be debating this issue and, I hope, to unanimously give agreement to the future fund? It is because it was due to start on 1 August 2015, and it will, indeed, subject to the passage of the legislation through this place, commence soon after the legislation is passed. Therefore, I say to my colleagues on all sides that delays in the commencement of the future fund will impact the level of investment earnings of the fund and will reduce the amount of funding available for distribution to medical research and innovations into next year. So it is critically important.
How will the earnings be determined? As I have said, the fund is a capital-preserved fund. The net earnings of the fund will be distributed annually to support ongoing health and medical research. The net earnings from the fund will serve as a secure revenue stream well into the future. I know that the Assistant Minister for Health, Senator Nash, and, of course, the Minister for Health, Ms Ley, will be reassured that we will know well into the future that we can program research that is so desperately needed and that we can actually schedule it. It has been disappointing to hear some of the flippant comments by others as to where they believe some of that research money may go.

How will the funding be distributed? Who will make recommendations to the minister in terms of the distribution of that funding? The funding will be distributed to address Australian medical research and innovation priorities and will be determined—it is critically important that people understand this—by the independent advisory board based on the Australian Medical Research and Innovation Strategy, and funding will be taken from the fund only following a decision of government through the usual budget processes. Payments other than those made through the COAG Reform Fund or as appropriated to Commonwealth entities will be distributed as grants—not as loans but as grants—which will be, for example, through the National Health and Medical Research Council. The NHMRC will have a critical role in this advisory component as, indeed, it should from the commencement.

Contributions to the fund will come initially from some $1 billion in uncommitted funds in the Health and Hospitals Fund—and it is a good thing the finance minister has turned up, because he has got accountability to this place and to the parliament more generally in terms of that disbursement. We will see $1 billion in uncommitted funds in the existing Health and Hospitals Fund, and the estimated value of savings from the health portfolio for 2014, as announced by Minister Ley, will allow the fund to get to its capital level of some $20 billion by, it is hoped, 2019-20. This year's budget, which has been so well accepted and received by the Australian community, contained a range of health savings measures, so not all of the capital from health savings expected by 2019-20 will be required to achieve that $20 billion target, but more of it will be invested as we go forward into the future. What we need to know is: how do the crediting arrangements from this fund differ from those of nation-building funds? It is of some significance, as Senator Macdonald would know, that the crediting arrangements for the fund and the nation-building funds are similar, but there are differences in terms of the initial credits to the fund itself. The total amount of the initial credits for the nation-building funds were specified in legislation.

Debate interrupted.

QUESTIONS WITHOUT NOTICE

Employment

Senator LINES (Western Australia) (14:00): My question is to the Minister representing the Prime Minister, Senator Abetz. I refer to the Prime Minister's promise last week that 'everything this government does is about jobs and growth'. With unemployment increasing to 6.3 per cent, the highest in 13 years, and the government's own budget predicting that unemployment will rise further, to 6.5 per cent, isn't this just another one of Mr Abbott's broken promises?
Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:00): I thank Senator Lines for the question, because it allows the government to set out a record of employment creation that was only dreamed about under the previous, Labor, government. Indeed, the jobs growth we have seen in this first short period of the coalition government, just in recent times, is four times the job creation Labor was able to achieve in its last year of government—namely, 2013. We have seen, since the election of the coalition government, 336,000 jobs created in our country. Has the unemployment rate increased? Yes, it has, but like so much of statistics you have to deal with all the facts. Do we have the highest number of Australians in employment ever? Yes, we do.

Why and how is it that you can have an increase in employment, have the highest number of Australians in employment and simultaneously experience an increase in unemployment? It is very simple, and the statistics bear it out: there has been a huge surge in job participation, where people now have the confidence to put themselves into the job market and look for a job. We never like an unemployment figure that is anything but zero, and we will work hard to drive it down. That is why we would invite Senator Lines to support our free trade agreements, to support our deregulation agenda and to support the Australian Building and Construction Commission, all of which will help grow jobs. (Time expired)

Senator LINES (Western Australia) (14:02): Mr President, maybe we will get closer to the truth with my supplementary question. I refer to the Prime Minister's election promise that his economic plan will 'deliver more jobs' for all Australians. With 800,000 Australians now in the unemployment queue, hasn't he broken that promise too?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:03): In relation to the first question, there was no broken promise. We promised we would create one million jobs in the first five years of a coalition government, and on the figures to date we are on track, having achieved a job creation growth rate four times that delivered by the Labor Party in its last year of government. I am delighted that Senator Lines raises the issue of an economic plan. We have an economic plan. It is about bringing the budget back into a sustainable position. It is about free trade agreements. It is about bringing the Australian Building and Construction Commission back. It is not about reintroducing a carbon tax higher than the one Labor had introduced when they were thrown out of office. They had not learnt the lesson the Australian people taught them at the last election. (Time expired)

Senator LINES (Western Australia) (14:04): Mr President, I ask a further supplementary question. With coalition MPs saying that 'the government has become a preservation society to get Mr Abbott from week to week', isn't it true that the only job Mr Abbott is looking out for is his own?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:04): The Prime Minister has a very distinguished record of service to the Australian people, and he has dedicated his life over the past two decades to exactly that cause—unlike the leader of the Australian Labor Party, who has dedicated himself to only one task: getting the leadership of the Australian Labor Party, which has seen him say one thing to Mr Rudd and then do another, and to say one thing to Ms Gillard and then do another. It is the same with his
economic policies. He would say to Mr Latham, 'Support free trade agreements,' and then stand at Australian Workers Union rallies and condemn free trade agreements. That is the two-faced approach by the Leader of the Opposition, whereas with this Prime Minister, whether you like him or not, people know where he stands and why he stands, because he has a vision for the country and has a sense of duty of national service to our country, to which he has dedicated himself. That is why I am so pleased to be a supporter of his. (Time expired)

Economy

Senator REYNOLDS (Western Australia) (14:05): My question is to the Minister for Finance, Senator Cormann, representing the Treasurer.

Honourable senators interjecting—

The PRESIDENT: Order on both sides. Would you like to start again, Senator Reynolds?

Senator REYNOLDS: My question is to the Minister for Finance, Senator Cormann, representing the Treasurer. Can the minister update the Senate on progress of the government's plan for stronger growth, more jobs and repairing the budget?

Senator CORMANN (Western Australia—Minister for Finance) (14:07): I thank Senator Reynolds for that very important question. I am very pleased to inform Senator Reynolds and the Senate that we are continuing to successfully implement our long-term plan for stronger growth, for more jobs and to repair the budget. What we saw at the Labor Party national conference a few weeks ago was that the alternative government of Australia has no economic plan, no plan to strengthen growth, no plan to strengthen job creation and no plan to get government spending under control or to repair the budget.

Our economy today is stronger than it was when we came into government. More jobs are being created today than when we came into government. The most recent quarter of national accounts data, released earlier this year, shows that we have one of the fastest-growing economies in the developed world—a faster-growing economy than any of the G7 countries. More than 330,000 new jobs have been created since we came into government, 163,000 new jobs since the beginning of this year—much better than when we came into government.

Despite global economic headwinds, our economic outlook is better than it would have been if the country had not changed direction after the defeat of the last Labor government, if we had not removed Labor's job-destroying carbon tax, if we had not removed Labor's job-destroying mining tax, if we had not reduced red-tape costs for business by more than $2 billion, if we had not rolled out our record infrastructure investment, if we had not finalised three new free trade agreements with key markets in our regions and if we had not embarked on the important task of getting government spending under control and getting the budget back into surplus.

Senator REYNOLDS (Western Australia) (14:09): Mr President, I ask a supplementary question. Can the minister also inform the Senate why further tax reform is important to strengthen job growth and economic growth?

Senator CORMANN (Western Australia—Minister for Finance) (14:09): Since we came into government, we have been engaged in very substantial tax reform. We abolished Labor's job-destroying carbon tax which made Australia less competitive internationally. We abolished Labor's investment- and job-destroying mining tax. We delivered a tax cut to small business, something that Labor continued to promise but never delivered. And of course we
also promised that we would engage in a conversation with the Australian people about long-term tax reform priorities. As the Treasurer has indicated in various public statements in recent days, in Australia we have too heavy a reliance on income taxes. We have to have a conversation on how we can raise the necessary revenue to fund the necessary services of government in a better, more efficient, less distorting way, in a way that detracts the least amount possible from economic growth opportunities into the future. That is why the government is engaged actively in a conversation about a better tax system. (*Time expired*)

**Senator REYNOLDS** (Western Australia) (14:10): Mr President, I ask a further supplementary question. Will the minister also outline to the Senate any alternative policies and their implications for the economy and for Australian jobs?

**Senator CORMANN** (Western Australia—Minister for Finance) (14:11): As I indicated in my primary answer, the alternative government has no economic plan, has no plan for jobs and has no plan to ensure that we put Australia on a stronger foundation for the future. Instead, Labor under Bill Shorten wants to bring back a carbon tax, and a carbon tax which is worse than the Gillard version of the carbon tax, one which would wipe more than $600 billion out of our economic growth over a 10-year period, one which would push up the cost of wholesale electricity by nearly 80 per cent, one which would cost jobs, one which would hurt our economy, one which would do nothing to help reduce emissions globally and one which would lead to a $200 a tonne carbon tax—unbelievable. Then we have got the Leader of the Opposition joining the outrageous, union-fuelled xenophobic attack on the critically important and historic agreement that Australia has engaged in and negotiated with China. (*Time expired*)

**Abbott Government**

**Senator WONG** (South Australia—Leader of the Opposition in the Senate) (14:12): My question is to the Minister representing the Prime Minister, Senator Abetz. I refer to the Prime Minister's promise six months ago that 'good government starts today'. With rising unemployment, higher debt, a dumped Speaker and growing speculation about the Prime Minister's future, how is good government going?

**Senator ABETZ** (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:12): Good government is delivering lower cost of living to the Australian people by the removal of the carbon tax—a tax that would be reinstituted under Labor, not in its former form but in a higher form which would absolutely bankrupt the household budgets around this country and destroy thousands of jobs. Good government is delivering free trade agreements with China, with Korea and with Japan—things that Labor tried and failed to achieve, agreements that people like the former ACTU president Mr Crean acknowledge will create thousands of jobs and help create greater wealth for the Australian nation. Good government is also providing national security by ensuring that boats have been turned back, to ensure that we save literally thousands of millions of dollars—and it is now pleasing that Labor are, slowly, at least paying lip-service to this. Having given us self-righteous lectures about turning back the boats, they now say, 'What a great idea.' Have we heard an apology from those opposite for all the hectoring that we received during that time? No, of course not.

So there is good government, be it on the environmental front today with our very exciting announcement about the target we will be taking to Paris—we are looking in the Environment.
portfolio and foreign affairs—or be it in employment, where we now have the highest number of Australians ever in gainful employment. No matter what area of government endeavour is being looked at, we are doing a lot, lot better than we did when we came into office.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:14): Mr President, I ask a supplementary question. Is the Liberal minister who spoke to Peter Hartcher correct in saying this government's paralysis 'boils down to Tony and Joe having no capacity to project a vision or an economic narrative', or was the minister more correct when they said the problem is: 'Tony's just a wrecker'?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:15): Once again, a policy devoid opposition has to go through the gossip columns of the newspapers to try to scratch together a question about an unnamed source. If we want to go to that sort of gossip column, I would invite the Leader of the Opposition in this place to read The Latham Diaries. This is not somebody shying away from putting their name to what occurred; this is the former Labor leader championed by the Leader of the Opposition in this place, one Mr Latham, telling us exactly what happened with Mr Shorten—that Mr Shorten would say one thing and do another. If the Australian people do not want to believe Mr Latham, a former Labor leader, try Mr Rudd, another former Labor leader, or try Ms Gillard, another former Labor leader. There is Labor leader after Labor leader willing to confirm— (Time expired)

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:16): Mr President, I ask a further supplementary question. With coalition MPs saying, 'Nothing's changed and nothing's improved,' and, 'There isn't anyone who thinks this is good government,' why should the Australian people have faith in this Prime Minister, when it is clear his own colleagues have none?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:17): Once again, an unnamed source—trawling through the gossip columns. But I can tell the Australian people why they can have confidence in our Prime Minister and his government: he is getting on with the job of running the country. Whilst the Labor Party at its national conference passes motions to condemn Martin Ferguson, we are getting on with the job of getting the budget back into shape. Whilst the Labor Party at its national conference passes motions about the republic as though somehow that is going to save the nation, we are getting on with the job of national security. The Australian people have a choice at the coming election, whenever that might be, between Mr Shorten, a man that three Labor leaders are now willing to say and vouch cannot be trusted, and a Prime Minister who is delivering time and time again. (Time expired)

Climate Change

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (14:18): My question is to the Minister representing the Prime Minister, Senator Abetz. I refer to the weak and dangerous targets for climate pollution reduction announced today by your weak and dangerous Prime Minister. These targets utterly ignore the science, being less than half of the bare minimum that the Climate Change Authority said is needed to avoid dangerous global warming of two degrees or more. Your targets are a recipe for a nightmare scenario of two to three degrees of global warming. Have you got any scientific evidence showing that
your targets would keep the world below the internationally agreed tipping point of two degrees of warming?

**Senator ABETZ** (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:18): I was absolutely right yesterday when I predicted that, no matter what the target was that we as a government would announce today, it would not be good enough for the Greens. Sure enough, Senator Waters has been able to confirm that that is the case.

In relation to the two-degree goal, can I advise the honourable senator—and she must surely know this—that this is a collective goal and not one that Australia can reach alone. In relation to that which Australia is doing, we are going to be reducing our emissions per person by 50 per cent. That is the highest reduction of any country that has thus far indicated its target, per person, so Australia is well and truly lifting beyond its capacity on a per capita basis. This is not a weak target, but it is an achievable target. It is not a dangerous target; it is one that keeps the environmental concerns in tune with the economic and job concerns that the Australian people rightly have.

We have seen from the Australian Labor Party a target that has not been suggested or adopted by any other country, which is solely designed to try to get some of the green vote in inner-city seats back to the Australian Labor Party. Well, the Labor Party can sell out their workers, the manufacturing sectors and the farm workers, all around the country in a bid for green votes. We will not be in that business. We will be in the business of having a good, balanced approach. If you have a look at those figures that have been announced today, we are in the middle of a— *(Time expired)*

**Senator WATERS** (Queensland—Co-Deputy Leader of the Australian Greens) (14:21): Mr President, I ask a supplementary question. The Prime Minister claimed today that he does things with the idea of promoting jobs and growth. How does having the environmental and economic disruption of three to four degrees of warming protect the existing 63,000 jobs in the climate sensitive Great Barrier Reef and the thousands of jobs in climate sensitive agriculture and create tens of thousands of jobs in clean energy in Australia? When will your government accept that acting on climate change creates jobs?

**Senator ABETZ** (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:21): Something that the Greens have never understood, it would appear, is balance in any argument. Whilst they will not be satisfied until we all ride bicycles and have windmills, there does have to be a balance. We say that renewable energy is a worthy cause, that it is something that we should pursue, but we need to do it in a manner that is sustainable for the average Australian household and retain jobs within the Australian economy.

Let's make no mistake. I may be corrected in relation to this, but I understand our target will be about 0.2 per cent of GDP and will have considerable cost implications for the Australian people, and you cannot shy away from that. But the Greens' proposal would see that as being even higher, with even greater job losses, and that is why we seek to have a balanced approach. *(Time expired)*
Senator Waters (Queensland—Co-Deputy Leader of the Australian Greens) (14:22):

Mr President, I ask a further supplementary question. I will press on. Over two-thirds of Australians want to see Australia's economy transformed.

Government senators interjecting—

The President: Order on my right! Just a moment, Senator Waters. On my right, order! Senator Waters, would you mind starting again. Thank you.

Senator Waters: Sure, if you could reset the clock. Over two-thirds of Australians want to see Australia's economy transformed into a jobs-rich, pollution-free future. Meanwhile, only six per cent of Australians want more government support for coal. In his press conference today, the Prime Minister said, 'The only way to protect the coal industry is to go with the kind of policies we have.' Yet even the G7 leaders have agreed to phase out coal by the end of the century. So which is it—protecting your coal donors or protecting Australia's future?

Senator Abetz (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:23):

If I were the Australian Greens, I would not be talking about donors when you get money from the CFMEU. But, coming back to the suggestion by the honourable senator that two-thirds of Australians want a jobs-rich and pollution-free economy, a pollution-free economy means no cars, for a start, no manufacturing and no agriculture. Senator Waters, be very careful what you are now telling us is the Australian Greens' policy. It is no pollution whatsoever. In relation to your contributions in this chamber, I wonder whether that might be classified in relation to CO₂ emissions as well.

Senator McKenzie (Victoria) (14:24):

My question is to the Minister for Veterans' Affairs, Senator Ronaldson, representing the Minister for Industry and Science. Will the minister advise the Senate what action the government is taking to capitalise on our nation's strength in advanced manufacturing? How will smart investment in the industries of the future help Australia create more jobs and compete internationally?

Senator Ronaldson (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:24):

I thank Senator McKenzie for her question and acknowledge her longstanding interest in regional Victoria. Last week the Prime Minister, the Minister for Industry and Science, my friend and colleague the Assistant Minister for Education, and the member for Corangamite were in that great regional city of Geelong for the announcement of the government's $14 million Advanced Manufacturing Growth Centre in Geelong. This centre will be integrated with a network of four similar growth centres across the country and will develop a plan to link local businesses with global companies. The plan will identify jobs and skill needs; provide a pipeline of innovations ready to commercialise; and consider areas for reforming regulation, manufacturing transformation and growth. The centre will drive the jobs of the 21st century—jobs like the 100 jobs that have been created at Carbon Revolution in Geelong, jobs that were not there two years ago.

The future of manufacturing in Australia is in the area of advanced manufacturing, using science and research to produce high-tech, high-value goods to sell to global supply chains.
around the world. The $225 million Industry Growth Centres Initiative provides a new sectoral approach to industry policy which builds on Australia’s strengths, driving excellence and capability sectors with the most economic potential.

In conjunction with the new Advanced Manufacturing Growth Centre, the Prime Minister, together with my colleague Senator Birmingham, announced that the Newcomb Secondary College will introduce an industry partnership to better prepare students to enter the workforce, with $500,000 committed towards establishing the Pathways in Technology Early College High School model at the college in 2016. On top of that, there will be a new TradeStart office in Geelong. (Time expired)

Senator McKENZIE (Victoria) (14:26): Mr President, I ask a supplementary question. Will the minister inform the Senate how the government is putting science at the centre of industry policy to help grow the economy and create new jobs?

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:27): Again, could I thank Senator McKenzie. Just last week, the Minister for Industry and Science announced the new chairman of CSIRO, Mr David Thodey, to join the relatively new CEO, Larry Marshall, to boost the industry experience and business experience in that organisation. Mr Thodey, a very highly respected business leader, and Larry Marshall, a former Silicon Valley executive, will work together in a drive to have science and industry work hand in hand. This complements a range of initiatives to bring science to the centre of industry. The R&D tax incentive, worth $10 billion over the forward estimates, is providing a tax offset for businesses undertaking eligible R&D activities. The $584 million cooperative research centres program supports industry-led multi-year research collaborations between industry and researchers, and the entrepreneurs program, worth $100 million annually— (Time expired)

Senator McKENZIE (Victoria) (14:28): Mr President, I ask a further supplementary question. Can the minister outline how the government’s strategy for science and industry contrasts with alternative approaches?

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:28): It will be no surprise but a great disappointment for the chamber to hear me say that the Labor Party has no science and industry policy direction at all. Ours is deliberate, thorough and detailed. The Labor Party just threw money at problems. Of course, the real cause of that was Senator Carr, virtually a Peter Pan on steroids, who just flapped around. He was quite rightly described by former Senator Richardson:

… (Kim Il Carr to friends and foe alike) the undisputed champion of Labor's lost causes. This bloke wanted to continue to throw more—

money—

at the car industry and is completely ignorant of both Labor history and modern thinking. Someone should tell him the Berlin Wall came down a quarter of a century ago, around the same time Hawke and Keating sold off TAA and Commonwealth Bank, and opened Telstra up to competition. Someone should tell Carr his war is over.

(Time expired)
Workplace Relations

Senator CAMERON (New South Wales) (14:29): My question is to the Minister for Employment, Senator Abetz. I refer to the minister's failure to answer a question yesterday on penalty rates, so I ask again: does the minister support the Productivity Commission's proposal to cut penalty rates for Australian workers on Sundays?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:30): The only person I know who has actually engaged in the cutting of penalty rates was a particular union leader, who rejoiced in the name of Bill Shorten, who in 2006 dealt with the Clean Event agreement in which there was no additional weekend or public holiday pay.

The PRESIDENT: Pause the clock. Point of order, Senator Moore.

Senator Moore: Mr President, I rise on a point of order. It is on direct relevance. It was a very clear question. It was about whether the minister agrees with the Productivity Commission's proposal to cut penalty rates. It had no other question asked and I think it is important that we get to the question.

The PRESIDENT: Thank you for your point of order, Senator Moore. I would remind the minister, although he has only just commenced his answer, of the question.

Senator ABETZ: The point I was making was that the now Leader of the Opposition, Mr Shorten, has rolled into this chamber a frontbencher by the name of Senator Cameron to ask questions about penalty rates in circumstances when he was the architect of the removal of penalty rates in EBAs, be it in the cleaning industry, be it in the mushroom-picking industry or, indeed, which is quite apt, be it even in the circus industry—in the Cirque du Soleil—which was entered into—

The PRESIDENT: Pause the clock.

Government senators interjecting—

The PRESIDENT: Order on my right! Senator Cameron, on a point of order.

Senator Cameron: Mr President, I rise on a point of order on direct relevance. There was one question asked here: does the minister support the Productivity Commission's proposal to cut penalty rates? He has not got anywhere near that. We are not Cirque du Soleil—could you bring him back to the question.

The PRESIDENT: Thank you, Senator Cameron. I will remind the minister of the question and advise the minister that he has one minute in which to answer the question.

Senator ABETZ: If those opposite were not that anxious they would see the point that I was making, because there was also the Melbourne and Olympic Parks Trust agreement in 2001 and 2003, both signed by Mr Shorten.

The PRESIDENT: Pause the clock.

Government senators interjecting—

The PRESIDENT: Order on my right! Honourable senators interjecting—

The PRESIDENT: Order, Senator Macdonald, and you too, Senator Conroy.

Honourable senators interjecting—
The PRESIDENT: Order, both sides. Senator Wong, on a point of order.

Senator Wong: Mr President, I raise, again, a point of order on direct relevance. There was one question: does the minister support the Productivity Commission's proposal to cut penalty rates for Australian workers on Sundays? There was one question and he has had a minute and 14 seconds. You have already drawn him to the question and he is just completely ignoring your indication from the chair and flouting the standing orders.

The PRESIDENT: Thank you, Senator Wong. I will remind the minister of the question and advise him he has 46 seconds in which to answer the question.

Senator ABETZ: On the basis of that very rich history of Mr Shorten's own activities in cutting penalty rates, it seems that the Productivity Commission may have gleaned something from Mr Shorten's own experiences of cutting penalty rates by making a suggestion, a suggestion which includes—

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

Senator Cameron: Mr President, I rise, again, on a point of order on relevance. You have drawn the minister's attention three times to this question. The minister is ignoring your observations about answering the question. He should be brought to the question.

The PRESIDENT: Thank you, Senator Cameron. Again, I will remind the minister of the question and advise him that he has 23 seconds in which to answer.

Senator ABETZ: Based on that rich history provided by Mr Shorten's own activities, the Productivity Commission has made a draft recommendation that suggests that the Fair Work Commission should make that determination. At all times, we have said the Fair Work Commission should make that determination and not union leaders like Mr Shorten—(Time expired)

Senator CAMERON (New South Wales) (14:35): Mr President, I ask a supplementary question. I refer the minister to published analysis which shows that workers in regional Australia would lose between $370 million and $691 million a year as a result of cuts to penalty rates. Would cuts to penalty rates further entrench the divide between rural and city workers?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:35): As with all these things, these are sensitive matters that impact on the economy on one hand and individual household budgets on the other. That is why in this nation we have an independent umpire, called the Fair Work Commission, to make those determinations. All the Productivity Commission has said is, 'These are matters worthy of consideration, not by government but by the Fair Work Commission.' Can I remind the honourable senator that the three Productivity Commissioners who considered this matter and who made that recommendation were all appointed under the previous Labor government. These matters need to be balanced on the basis of all the information available and I have confidence that the independent umpire will make an appropriate determination when and if these matters are raised before them, unlike the Labor Party who seem to have no confidence in their own commission. (Time expired)

Senator CAMERON (New South Wales) (14:36): Mr President, I ask a final supplementary question. I refer to the recently reported cases of Sharon Eurlings, a New South Wales casino worker, and Maria Versace, a Geelong restaurant worker, who are both
mothers relying on penalty rates to help support their families. Won't cutting penalty rates make it harder, not easier, for Australian workers and families who are already doing it tough?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:37): The only cuts to penalty rates that have occurred in Australia other than those so shamefully negotiated by Mr Shorten—unknown to the workers at the time—including having the Chiquita mushroom workers sacked and then re-employed without those conditions—

Opposition senators interjecting—

The PRESIDENT: Order on my left.

Senator Cameron: Mr President, I rise on a point of order: relevance. The minister is using the same standard answer to run away from direct questions. He really should be dealing with these very important questions that are being put to him and he should be relevant to the standing orders.

The PRESIDENT: I remind the minister of the question. He has 40 seconds in which to answer.

Senator ABETZ: I can understand Senator Cameron's huge embarrassment at the record of Mr Shorten in getting rid of penalty rates. There was one review initiated by Mr Shorten and the Labor Party and that was the modern award review. During that process, Labor's independent umpire decided to cut penalty rates in the casual award. Labor's laws, Labor's independent umpires and the workers got a cut in penalty rates. To try to cover up for that and for Mr Shorten's own personal activities, this subterfuge is being raised. (Time expired)

Building and Construction Industry

Senator O'SULLIVAN (Queensland—Nationals Whip in the Senate) (14:39): Might I take the indulgence of the chamber to welcome three of our fine colleagues from the state legislature in Queensland—welcome. My question is to one of the finest leaders in the Senate and the Minister for Employment, Senator Abetz. Will the minister inform the Senate how the government is ensuring that taxpayer funds are not wasted on cost blow-outs caused by illegality on construction sites?

Opposition senators interjecting—

The PRESIDENT: Order on my left. Order!

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:39): I thank Senator O'Sullivan for the question, if not necessarily for the preamble. Week after week, we hear stories of unlawful blockades, black bans and work stoppages on Australian construction sites. These lead to delays that impose huge additional costs which are often passed on to the taxpayer funding the project. Already unlawful work stoppages at construction sites have delayed such vital community projects as new hospital constructions, new highways and the construction of accommodation for the long-term homeless.

These stoppages are not the result of legitimate industrial activity. They have included threats of 'Armageddon' against a contractor seeking to enforce an order of the independent umpire, the Fair Work Commission. It includes vile abuse, which a Federal Court judge called
'intimidation that is not to be trivialised', and threats to the livelihoods of construction workers.

Services delayed are services denied and they cost the taxpayer money, the community jobs and the whole economy productivity gains that would otherwise be achievable. This is why the government is acting to bring back a building code and the Australian Building and Construction Commission, to ensure that businesses and unions are held to a higher standard when they engage in projects that use taxpayer funds. Business commentator Robert Gottliebsen estimates that rules such as the building code could save up to 30 per cent on construction project costs. In his words, 'The result will be many more hospitals and buildings for the same money.' That is why we want the building code. (Time expired)

Senator O'SULLIVAN (Queensland—Nationals Whip in the Senate) (14:42): I thank the minister for that fine answer. Mr President, I ask a supplementary question. Will the minister inform the Senate whether there are any particular concerns about the impact of illegality on construction sites in my beloved home state of Queensland?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:42): I can inform Senator O'Sullivan that in Brisbane unlawful work stoppages interrupted the construction of a Queensland government housing facility for the long-term homeless—undoubtedly that was done with a social conscience in mind. The activity cost the union more than half a million dollars in penalty rates but more significant was the cost to the Queensland community. Similar stoppages delayed the construction of the children's hospital. What better endeavour could there be than to create a children's hospital? But, no, the union movement, the CFMEU, had an entire nine-week stoppage, a nine-week delay on construction. These stoppages are estimated to have cost $300,000 a day, a massive $13.5 million in wasted taxpayers' money that could have launched another six NDIS sites or a youth mental health project or indeed additional crisis shelters for women and children escaping—(Time expired)

Senator O'SULLIVAN (Queensland—Nationals Whip in the Senate) (14:43): Mr President, I ask a final supplementary question. Will the minister inform the Senate whether there are any threats to the government's efforts in reducing costs on construction sites in order to achieve value for consumers and taxpayers, and to protect jobs?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:43): Another very good question from Senator O'Sullivan. There is a real threat to the taxpayer achieving 30 per cent savings on construction projects—that is, the continued opposition of the Labor Party and the Greens to restoring the ABCC and the building code. Clearly the Labor Party and the Greens are more concerned about sectional interests than the national interest. When even a former ACTU president calls for its reintroduction, the Labor Party are blinded by their sectional interests and they cannot see the national interest which is so vital.

Labor and the Greens are more concerned with protecting the millions of dollars in funding they receive from construction unions like the AWU and the CFMEU rather than good, sound economic management. We will continue to press for the re-establishment of the ABCC in the interests of the taxpayer. (Time expired)

Senator Lines interjecting—
Senator Abetz: Well, you should ask Bill Shorten that.

Senator Lines: I am asking you.

Senator Cameron: Why don't you talk about your own leader?

The PRESIDENT: Senator Cameron!

Senator Kim Carr interjecting—

The PRESIDENT: Order! Order on both sides.

Senator Lines interjecting—

The PRESIDENT: Order, Senator Lines.

Building and Construction Industry

Senator LAMBIE (Tasmania) (14:45): My question without notice is to the Leader of the Government in the Senate, Senator Abetz. Can Senator Abetz confirm for the chamber that he has stated in this place that: (a) the construction sector is dominated by the CFMEU and the outlaw bikie gangs with which they associate; (b) there is a sinister veil of silence from witnesses and victims because they fear retribution and reprisal from speaking out against the intimidation that we so often see in this industry, most commonly on the part of the CFMEU; and (c) the courts have said time and time again that the CFMEU continues to ignore the law, despite the imposition of penalties? And could the senator say who was worse in his opinion, the CFMEU or the BLF?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:46): I thank Senator Lambie for the question because the very last part of her question allows us to see the very sad and sorry history that has bedevilled the construction sector now for decades. It was in fact a proud union movement, and a proud Labor leader was willing to call corruption as corruption and thuggery as thuggery. That is why Bob Hawke and the ACTU at the time were willing to move for the deregistration of the BLF. They would not countenance the good name of trade unionism being trashed by those elements.

Regrettably, those elements have re-emerged in the construction sector of the CFMEU, and that has now been shown to be the case by the Cole royal commission. It was also confirmed by Justice Wilcox when he had a review of our Australian Building and Construction Commission legislation when he said words to the effect that he wished he did not have to recommend the ongoing use of the coercive powers which the Labor Party now seeks to deny.

We have since had the revelations of the Heydon royal commission indicating similar thuggery. Indeed we have now had arrests. And indeed the CFMEU used to run this line: 'Don't have a special body. Report these matters to the police.' Well, do you know what happened just the other day? The police actually took action and arrested somebody, and what did Mr Noonan of the CFMEU say? 'That shouldn't be a police matter; it's an industrial matter.' No matter what the circumstances, they will twist and weave. In direct answer, I think it is a toss of the coin between the BLF and the current division—(Time expired)

Senator LAMBIE (Tasmania) (14:48): My supplementary question to Senator Abetz is: does the senator agree with Senator Nash when she told this chamber in November 2014 that 'counsel assisting has found that the CFMEU engaged in secretly stealing private information of its members, boycotts, cartels, blackmail, extortion and even death threats'?
SENATE
Tuesday, 11 August 2015

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:48): I usually hang on every word that Senator Nash tells this Senate and I have no reason to disbelieve that that is something that Senator Nash may have said and that Senator Lambie is faithfully representing that to the chamber. What it once again shows is the horrid culture of corruption within the building sector. I said when the Heydon royal commission was launched that this would be a two-edged sword and that, if inappropriate payments were being made to trade unions, chances were that those payments were being made by employers and contractors who in effect want an easy life and, therefore, pay themselves out of trouble—the sort of circumstance which has now been revealed as having occurred with Chiquita Mushrooms, when a certain trade union official, now parading as an alternate Prime Minister, engaged in it as well. (Time expired)

Senator LAMBIE (Tasmania) (14:49): Mr President, I ask a further supplementary question. Given that the senator agrees that the CFMEU leadership is involved in a wide range of serious criminal activities—blackmail, extortion, death threats and assault—and associations with outlaw bikie gangs, killers and underworld figures, and given that there is little difference between the CFMEU and the BLF, can the senator explain why his government, that has now been in office for two years, has not deregistered the CFMEU, just as it knows the Hawke-Labor government did in 1986? Why have you not deregistered the BLF?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:50): The proposition that the senator puts forward is a very interesting proposition. The situation was that in the Hawke era you had a responsible Labor leadership supported by a responsible opposition. There was unanimous support in the parliament for that course of action, yet what we have from this government is Mr Shorten wheeling in frontbenchers to Senate estimates to run interference and to run defence for the CFMEU, including trying to ask questions as to why a CFMEU official, that lied on his statutory declaration—

The PRESIDENT: Pause the clock.

Senator Lambie: Mr President, I rise on a point of order. I just simply asked Senator Abetz why they have not deregistered the CFMEU, with or without support. I just want to know why you have not used that instrument and deregistered them.

The PRESIDENT: Thank you, Senator Lambie. The minister has 10 seconds left to complete his answer.

Senator ABETZ: I would be very interested to see if there would be support for that in this chamber. One suspects, if there is not support for the ABCC, there clearly would not be support for deregistration. (Time expired)

Defence Procurement

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (14:51): My question is to the Minister representing the Minister for Defence, Senator Brandis. I refer the minister to testimony to a Senate Economics References Committee hearing on 22 July by leading Australian shipbuilding expert Dr John White. Dr White is heading the German
consortium's bid as part of your sham submarine process. He had this to say about a local submarine build:

I am sure that if we truly analyse all aspects of the project we will have a lower cost to the government from an all-build in Australia.

Minister, if experts involved in your own sham process are saying it is cheaper to build in Australia, will you now direct that the only option the government will consider is a local build for our future submarines?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:53): We certainly will not be making a declaration to that effect now. That is why we are having a competitive evaluation process—so that all the options can be considered. As you know, Senator Conroy, there are three potential international partners—from Germany, from France and from Japan. And as you know, the competitive evaluation process contemplates that all options are on the table in relation to each of those three potential bidders and it does your argument absolutely no service to come into this chamber and quote the views of one individual, when even you—a very negligent shadow minister, I must say—must know that there is a variety of views among a variety of experts on this subject.

There is one assurance I can give you. We are not going to repeat, with the future Australian submarine project, the disaster of Australian naval shipbuilding bequeathed to us by the government in which you served as a senior member, the government in which, in six years, not one single warship was commenced—not one—the government in which the only naval acquisition in six years was of a second-hand warship from the Royal Navy, the government in which you allowed the so-called valley of death to appear, so that between the completion of the current shipbuilding programs, begun by the Howard government and delayed under your government, and the earliest date at which the naval shipbuilding program announced by the Prime Minister last Tuesday could be commenced there will be a sharp decline in the number of people in work. That is entirely your legacy, Senator Conroy; all your own work. (Time expired)

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (14:55): Mr President, I ask a supplementary question. Again, I refer to Dr White's testimony in which he said:

… if Australia wants to have a long-term, sustainable, competitive, world-class naval industry, we need to plan to build both future frigates and future submarines in this country.

Minister, why will you not heed the advice of experts and build our submarines here and stop playing politics with Australia's vital shipbuilding industry?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:55): The reason we are undertaking a competitive evaluation process—

Senator Edwards: They never did.

Senator BRANDIS: That is right, Senator—as the Australian Labor Party never did, but they did not need one because they did not begin any ships. They were not going to have a competitive evaluation process about zero ships, which was your legacy, Senator Conroy. The reason we are having a competitive evaluation process is so we can heed the best advice from
all of the evidence, not the opinion of one man but the opinion of all experts, so that we may make the decision which is in the best interests of the Australian people, with all three bids on the table, with all options under consideration and all expert opinions, not just one, being taken into account. That is the way a competent government deals with a major defence acquisition. But that is not something you would know, Senator Conroy, because there were no defence acquisitions on your watch. (Time expired)

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (14:57): Mr President, I ask a further supplementary question. I refer to the Prime Minister's admission that our future frigates will be built in Australia because 'there are significant benefits that flow from a domestic build'. Now that the Prime Minister has finally admitted the truth, will you come clean and admit that the only reason you have invented your sham submarine process is that the Prime Minister did a secret deal to send our submarines to Japan, and you know it because you voted for it in the National Security Committee? (Time expired)

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:57): Senator Conroy, every assertion that you have made in that question is a falsehood—every single one.

Senator Conroy interjecting—

Senator BRANDIS: I do know the truth, Senator Conroy. The truth is that every single assertion you have made in that question is a falsehood. The fact is last Tuesday the Prime Minister announced the most visionary naval shipbuilding program in Australian history, welcomed not merely by my side of politics and not merely by industry but by the Premier of South Australia, Mr Jay Weatherill. So we are building the future frigates in Australia, in Adelaide. We are building the coastal patrol vessels at shipyards in Australia, not necessarily all in Adelaide but also potentially in other shipyards, including Williamstown, about which Senator Carr showed such interest yesterday, and we will be making an announcement about the Future Submarine program after the competitive evaluation process is concluded. (Time expired)

Indigenous Affairs

Senator McGrath (Queensland) (14:58): My question is to the Minister for Indigenous Affairs, Senator Scullion. Will the minister update the Senate on the government's commitment to a new engagement with Indigenous Australians?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:59): I thank Senator McGrath for the question. It is an important question because the government's engagement with Aboriginal and Torres Strait Islander Australians is central to improving the lives of our first Australians. We recognise that there is a greater chance of success if initiatives are in fact built on decisions by local people. We are working with communities on how we can deliver reforms that are needed right across the country, including as part of the Empowered Communities process. We are working with local communities like north-east Arnhem Land where I have met with senior elders to empower the local leadership and create a framework for so-called 'genuine engagement'.

I have had the privilege to meet with the cultural authority of the region, the Dilak. I have met with them several times to talk about that engagement. Just as I am a leader within the
Commonwealth, the members of the Dilak are and always have been leaders and parliamentarians of their region. I am committed to engaging and listening to them. We are on a pathway to making more decisions at a local level, and the Dilak Council is an example of how that will take place. The Dilak Council are completely connected with their communities, their culture and the opportunities for their land and country. They are now putting up all the suggestions for economic development on their land. We need to continue to work in partnership with Aboriginal people in their way on their terms. A better future has to be predicated on a better partnership.

Senator McGrath (Queensland) (15:00): Mr President, I have a supplementary question. Can the minister advise the Senate how the government is supporting local Aboriginal landowners to better use their land to pursue economic opportunities?

Senator Scullion (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (15:00): I thank Senator McGrath for the supplementary question. Breaking down the barriers to economic opportunities has to be the priority of every government and every parliament. Indigenous communities have been telling us—and we will all have heard the mantra for years and years across different governments—that they are sick of being land rich and dirt poor. Not enough has been done to work with communities to develop models that work for local people and local traditional owners.

At the Garma Festival, it was terrific to be involved in the signing of the agreement with the Gumatj tribe to work together to develop a community entity that ensures township leasing for Gunyangara. I think it is the first of its kind. The community township leasing model has been developed at the request of traditional owners. The innovative nature of this is all down to the traditional owners, and I certainly take the opportunity to thank both the land council and Gumatj for their innovation in this area. (Time expired)

Senator McGrath (Queensland) (15:01): Mr President, I have a further supplementary question. Can the minister update the Senate on any new approaches to funding that the Commonwealth is delivering to Indigenous communities in north-east Arnhem Land?

Senator Scullion (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (15:02): Thank you again for the question, Senator. With the Indigenous Advancement Strategy it is the first time the Commonwealth government can look at the entire picture of Indigenous affairs funding, and we are gearing our arrangements towards achieving real outcomes on the ground. We recognised that change was needed, and we are going to see real results. For example, in north-east Arnhem Land we are working with local organisations to provide support that will support communities to build long-term independence. We have provided the Gumatj Corporation, a local Aboriginal owned business, with over $300,000 to build and launch their own mining training centre, not because they need to be training in mining but because they are starting their own mine. They have finished their exploration and they are now moving on, and their priority is now this government’s priority.

Senator Abetz: I ask that further questions be placed on the Notice Paper.
DOCUMENTS
Perth Freight Link

Order for the Production of Documents

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (15:03): I table documents in response to the order of the Senate of 10 August 2015 for the production of documents relating to the Perth Freight Link.

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS
Employment

Workplace Relations

Senator LINES (Western Australia) (15:03): I move:

That the Senate take note of the answers given by the Minister for Employment (Senator Abetz) to questions without notice asked by Senator Lines, the Leader of the Opposition in the Senate (Senator Wong) and Senator Cameron today relating to the unemployment rate and to penalty rates.

I think Senator Abetz had a slip of the tongue today when, in answer to a question from me about the government's record on jobs growth, he talked about the government's record on employment. I think what he really meant to say was the government's record on unemployment. We have in this country the highest unemployment record for decades, at 6.4 per cent, and those opposite—who live on some parallel universe—think they have some record on employment. The facts and figures are there—800,000 Australians out of work and people becoming unemployed every day of the week—yet this government tries to pretend that it has some record on employment. History will show, and the statistics show, that the only record it has is one of unemployment, the highest employment records in history—the highest for many, many years. What a shameful, disgraceful record that is for the Abbott government to have. To try to pretend that it is somehow about growth and employment is just a fabrication.

Again today, for the second day in a row, we asked the Minister for Employment to rule out or rule in what the government's intention is on penalty rates. We know this government's record when it shifts around and avoids the questions, because we have seen it before. That means it will do what it has wanted to do from day one, and that is reduce penalty rates. This fabrication where the Prime Minister is on the public record as saying that reducing penalty rates creates more jobs is an absolute myth. No economist would suggest that. I do not know how you make people poorer by taking their penalty rates off them and you create more low-paid jobs.

But I want to focus again on the seat of Canning and the town of Mandurah. The government's record in that area is an absolute disgrace. Perth, we know, has higher than average rates, but Mandurah, in the seat of Canning, consistently falls behind. The latest ABS stats show that Mandurah has an unemployment rate three per cent higher than the Perth metro area, and the youth unemployment rate is four per cent higher.

How can the government say it is committed to jobs and growth when, in an electorate it has held—and with due regard to the passing of Don Randall—the unemployment record is higher than anywhere else in Perth, and youth unemployment is higher than the national
average and quite a disgrace at 14.3 per cent? What we know about Mandurah is that, unfortunately, the unemployment rate has consistently increased since the Abbott government came to office. In fact, since the coalition came to office, a 1,000 more people in Mandurah are unemployed. That is not a record of employment; it is a record of unemployment. Labor reduced unemployment rates in Mandurah when we were in power, but this government has let that slip.

The Abbott government will not give a straight yes or no answer on penalty rates. In Mandurah, we know that 25 per cent of the population rely on penalty rates—penalty rates that the Abbott government want to cut. There are 63 per cent more people on Newstart under the Abbott government. That is not a record of employment; that is a record of unemployment in the seat of Canning. That is disgraceful and it stands well and truly on the Abbott government’s record—a record where the people in Mandurah are relying on penalties that the government want to take off them and where there are a 1,000 more people out of work since the Abbott government came into power in Mandurah. That is not any kind of record to be proud of and the government need to be held to account. (Time expired)

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (15:08):

It is quite Orwellian to rewrite history in the way that the Labor Party seek to do at the moment. They think that if they repeat it often enough or loud enough or in a shrill enough voice that somehow that will make it fact. Well, the facts speak very clearly for themselves. Let’s go to this issue of employment and the unemployment rate and the figures that have come out. I will repeat what I said last night in this place, because clearly Senator Lines and members on the other side did not listen.

Michael Janda, business reporter for the ABC—and the ABC is no great friend of the coalition—stated in his article published yesterday, ‘The reason unemployment jumped, despite the much better than expected growth in employment, was that the participation rate soared.’ That means that because there are more people now who have the confidence to put their hands up and say, ‘You know what, I’ll give it a go; I’ll see if I can get a job,’ the participation rate is higher. In fact, there was an increase of some 78,600 people who decided that conditions looked good enough that they thought they had a chance of getting a job, so they put their hand up and said, ‘We’ll give it a go.’

All the economists were saying, ‘Yes, we were expecting some jobs growth but 38,500 in the quarter to July was beyond our expectations.’ That is why this government can say, looking at the number of jobs that have been created—336,000 jobs to date—that we are well and truly on track to achieving the creation of one million jobs in the first five years of this government. The important part, though, that the ALP just do not seem to get their heads around is that you need to create the right conditions for employment, for employers to have the confidence to invest and to employ people and to create jobs.

Let’s go to things like the Productivity Commission—yet another scare campaign from members opposite and another scare campaign from the unions. Look at the serious people within the ALP, like their shadow employment minister; what does he say? He says, ‘Those arguments about things like penalty rates, I believe those arguments should be put and submitted to the independent umpire’—the independent umpire, what a good idea. That is the same approach that the coalition has. That is why it was established. Rather than have a scare campaign about things like penalty rates, the independent umpire is there to deal with it. Mr
O'Connor, in fact, has said that all these things should be looked at. He says, 'I'm not suggesting for a moment that there aren't provisions, including penalty rates, that should not be looked at.'

Rather than running a scare campaign against the coalition, the facts say that we are increasing business confidence. The rate of jobs growth is four times under this government's watch than what it was under Labor when we came to power in 2013. The actual number of jobs is increasing. We are well on our way to a million. The important part is that we are changing the conditions: things like the carbon tax. People ask: why didn't BHP go ahead with their development at Olympic Dam, which would have created thousands of jobs in South Australia? Well, in 2012 when they decided to pull their plans, that was when the carbon tax came into effect. BHP is the largest user of electricity in South Australia. Why? The second highest cost in running a copper mine is electricity. So at the very time when they would have been hoping to start recouping their investments from the expansion of Olympic Dam, under Labor's plan the carbon cost was going to be $350 per tonne. At $23 a tonne, that contributed to South Australia's electricity being the most expensive in the country.

Labor have not learnt from that. They are still looking at reintroducing pricing on carbon that, according to their own modelling, will push the price back to $209 per tonne. Is it any wonder that they do not understand that the way to create jobs is to set the conditions so that people have the confidence to invest? The coalition is doing that. We have abolished the carbon tax and we have introduced small business tax cuts. We are creating the opportunities for jobs and we are seeing those results. (Time expired)

Senator BULLOCK (Western Australia) (15:14): I rise to take note of answers, particularly with respect to the issue of penalty rates and, if time permits, the rising tide of unemployment, which is bringing misery to households across the nation, especially in my state of Western Australia, and I will trash some of the patently optimistic assumptions underpinning the Treasurer's deceptive budget.

I do not know what it is in the water at the Productivity Commission that gives rise to the hatred of shop assistants. Prior to last week's release of the draft report of their inquiry into the workplace relations framework, their most recent assault on the working conditions of shop assistants was effected through their inquiry into the low-value threshold relevant to the application of the GST to goods purchased online. The Productivity Commission largely left this issue unaddressed and focused on recommending that retailers open their doors 24 hours a day, 365 days a year, and that employees' penalty rates be slashed. Here was an ideologically-driven body that was prepared to sidestep real issues of concern to the retail industry in order to pursue its own agenda of attacking workers' conditions.

I ran for the Senate to defend workers and their families from the attacks that I felt the election of a Liberal government would rain down upon them. I believed that the public repudiation of the Work Choices regime would ensure that the government would seek to act moderately during its first term while developing the grounds to claim a mandate for radical industrial relations changes, should they achieve a second term. I did not know how the government would develop industrial relations as an issue, but when the workplace relations framework was referred to the Productivity Commission, I knew. When interviewed after the Western Australian re-run Senate election I focused on the role of the Productivity Commission and predicted its findings. I said, amongst other things, that they would attack
penalty rates in the retail industry. Penalty rates are a critical component of the matrix of working conditions applicable to Australian workers and a meaningful component of the take-home pay upon which they and their families depend.

Every Australian benefits from the dedication of workers who provide services to the community seven days a week—whether those workers be police and nurses, emergency service workers, shop assistants or hospitality industry staff. These workers give up their family and leisure time to provide services for us all. The bargain has always been that, in recognition of this sacrifice and the penalties endured by these workers, work at socially unacceptable times attracts a special compensating rate—a penalty rate.

In 2009 every award was reviewed as part of the process of modernising the award system. Every condition was examined to ensure it was consistent with current community standards. The new, modern award system which came into effect from 1 January 2010 reflected the outcome of that review—the most comprehensive award review ever undertaken. The penalty rates were determined as a result of that process. Penalties compensating workers for work at unsociable hours are the recent product of this comprehensive review by an independent umpire.

It is these penalties that the Productivity Commission proposes to substantially undermine. But it is not for all workers—because it understands the community backlash that this would provoke—but for the industrially weak and low paid; for the shop assistants and hospitality workers; workers they apparently believe have little choice but to meekly accept a pay cut, and whom they are prepared to regard as workers second class. I do not regard shop assistants as second-class citizens. I have never regarded shop assistants as second-class citizens and I will fight, as I have always done, to ensure they receive a fair go in employment.

I will not be accused of being hypocritical. My union has negotiated reductions in penalty rates over the years, but these reductions have always been accompanied not only by wage increases reflecting at least the full value of the penalties forgone but also by rostering provisions requiring employers to have regard for employees’ family commitments and personal circumstances; sporting, religious and study commitments; notice for roster changes and dispute settling procedures for rostering problems. Rosters, like pay rates, are important to our members and are relevant to work at penalty times. In short, where penalty rates have been varied, monetary and non-monetary benefits have been achieved, which more than offset any loss.

This is not what the Productivity Commission proposes. They propose that the independently-assessed penalty rates be stolen from workers with no offset being given to them in return. It is this shabby, mean-spirited ideological approach to the working conditions of hundreds of thousands of Australian families that the government proposes to hide behind in taking its reform agenda to the Australian people in 2016. This has always been their plan, and it will be their undoing.

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (15:19): What we see here again today is the opposition coming up with this fantastic tactic of opposition-attacks-government. It is all that they have got in this place. They have no policies or ideas, despite 2015 being declared by the Leader of the Opposition as ‘the year of ideas’. Here we are in August, and what ideas have we seen? Nothing. Nothing but that tried-and-true tactic of Labor opposition attacking the government—‘Attack, attack!’
Australians are not fooled by taking words out of context and trying to turn them into something that they are not. Australians know that that is just another trick by Labor whereby they are trying to be too clever by half. Telling Australians that A is B so, therefore, B must be A just does not cut it. Australians are not going to be fooled. They are too clever and they are not going to let that one go through and convince them of anything that is not the truth.

The real issue in this place is good governance, not the overly clever extrapolation of a few words into something that means something quite different. But those few ideas that Labor do have, or have demonstrated, are things that Australians should be scared of. Most recently, at the Australian Labor Party's federal council, they announced their new carbon tax policy. This new formally-adopted policy is nothing other than a supercharged version of their carbon tax, and Labor's own modelling confirms this. Treasury's modelling shows that Labor's carbon tax will need to rise to $209 a tonne by 2030—that is almost 10 times the level that it stood at under Julia Gillard, who pledged that there would be no carbon tax under a government that she led.

Further, Australia's GDP would be $633 billion lower, cumulatively, between 2015 and 2030 on the basis of Labor's supercharged carbon tax, according to Treasury analysis. Wholesale power prices would go up a whopping 78 per cent—that is a 78 per cent increase in wholesale power prices. We all know, and Australians know, that the cost of energy—the cost of their electricity bills, the cost of their gas bills—is a major cost to Australia's household budgets. The increases in electricity and energy costs are a major concern to many, many households right across Australia.

The Leader of the Opposition's carbon tax will see tens of thousands of jobs lost if it is implemented. Power bills will skyrocket, wages will be—at again, according to Treasury—six per cent lower in real terms and cumulative economic output will be well over half a trillion dollars weaker. This is coming from the opposition who, during question time today, sought to attack us over jobs.

Senator Lines made some comments earlier when she took note of answers by ministers, and, may I say, her comments did nothing other than to underline the 'economic illiteracy'—to quote Senator Cameron—of the Labor Party. Her comments demonstrated that the Labor Party fail to have any knowledge whatsoever about how an economy works or about the use of economic statistics. She was talking about the number of people receiving unemployment benefits having gone up. What that shows is the number of people who are out there actively seeking work. As we all know, in order to receive unemployment benefits there are requirements to be actively seeking work. But at any given time there are people out there who could be working who are not actively seeking jobs. There are a range of reasons for that, one of which is that they do not think they are going to get one and so they think there is no point in going to the effort of actively seeking jobs. Just in the last month there has been a massive increase in the participation rate, which means that a lot of those people who were not looking for jobs have now decided that they have enough confidence in the economy to get out of their houses and go out and start looking for a job. That adds to the number of people who are on unemployment benefits, but it is also a reflection of increasing confidence in the economy. This is demonstrated by the fact that if you removed from the equation the increase in the participation rate of the last month and looked at the participation rate of a month ago, the unemployment rate today would be 5.9 per cent. That is an absolute, simple
fact. If the participation rate were the same as last month, when there were fewer people looking for jobs, there would be fewer unemployment benefit recipients, and that would mean the unemployment rate would be lower. It is a simple economic fact.

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (15:24): By any objective measure, the Abbott government has completely, totally and fundamentally failed on its mantra of ‘jobs, jobs, jobs’. It has failed on the economy, it has failed on jobs and it has shamefully betrayed Australian workers. Unemployment is now higher than it ever was during the global financial crisis. In fact, it is higher than it was at any time under the former Labor government. The sad truth is that this government's botched management of the economy has meant that Australia now has the highest number of unemployed people since 1994. Not only that, but those opposite have a track record of meekly sitting by and watching while Australian jobs walk out the door.

Take the case of the 280 workers in Burnie on the north-west coast of Tasmania, who were dealt a savage blow in April when Caterpillar announced that their jobs were going overseas. This is a massive hit for a small town and it could result in the loss of up to 1,000 jobs from the region. Federally, the government hoisted the white flag on Caterpillar jobs right from the very beginning. Local member Brett Whiteley rejected out of hand opposition leader Bill Shorten's suggestion that the Prime Minister should pick up the phone and try to convince the company's US headquarters to intervene in the decision that was made by the Asia-Pacific arm of the company.

Just a few months later we saw the Abbott government sit meekly by while the crew of the Alexander Spirit lost their jobs. This Caltex oil tanker was docked in Devonport for three weeks after the crew were told there would be no more work for them upon their return to Singapore—despite the fact that they were told previously that their jobs were safe until 2019. Yet again the government was missing in action and the workers were hung out to dry. In fact, there are seven state and federal Liberal members of parliament who live on the north-west coast of Tasmania, and not one of them had the basic decency to head down to the ship and meet these workers—let alone to attempt to fight for their jobs.

Again this week we see history repeating, with almost 100 workers at Hutchison ports being cruelly told, by text, after dark, that they did not need to come in to work in the morning. Unsurprisingly, we have yet to see anything from this government to say that they are going to stand up for these workers. It is also telling that senior Liberal Senator Abetz sees absolutely no problem with sacking by text. It is shameful. Clearly the senator sees workers as an expendable resource who do not deserve the basic respect and consideration that I am sure the senator himself would expect from others.

Senator Bushby: Mr Deputy President, I rise on a point of order. I think Senator Abetz was asked a direct question about that yesterday and made his position quite clear. I believe that Senator Urquhart is misrepresenting his position on that matter.

The DEPUTY PRESIDENT: Thank you, Senator Bushby. Misrepresentation is not in fact a point of order, so there is no point of order.

Senator URQUHART: It gets worse. Not only does this government raise the white flag when Aussie jobs are being sent offshore; it actually develops policy to hasten this outcome. Take the renewable industry, for example, which has suffered a massive 88 per cent drop in
investment since this government set out to sabotage every policy that Australia has to respond to climate change and transition to a low-carbon economy—or the wind industry specifically, where the Prime Minister did a dirty deal with certain crossbench members to add extra layers of bureaucracy in his coal-addled determination to bring this multi-billion-dollar industry to its knees. Not only that, but he directed the Clean Energy Finance Corporation to stop investing in this cheap and clean energy source that promises many hundreds of jobs in regional Australia. Or we could look at Australia’s vital strategic shipbuilding industry, which saw the Abbott government blatantly ignore its own advice that Australian submarines should be built in Australia and its own pre-election promise to build 12 submarines in South Australia. Let us not forget that. It was a pre-election promise that there would be 12 submarines built in South Australia under the Abbott government. Astoundingly, the Abbott government actually excluded Australian shipbuilding companies from the tender process for the construction of two new naval supply ships. Or how about the appalling coastal shipping legislation which plans to sell out Australian jobs by removing the preference for Australian-flagged and cruise ships operating on our coastlines?

Let’s be clear: the Abbott government has absolutely and totally failed to create the conditions for growth. It is clear that this government has no plan for Australian jobs. This is a government stuck in a permanent, fatal opposition-mode loop. (Time expired)

Question agreed to.

Climate Change

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (15:30): I move:

That the Senate take note of the answer given by the Minister for Employment (Senator Abetz) to a question without notice asked by Senator Waters today relating to emissions reduction targets.

The first thing that ran through my mind was that this is what denial looks like, by people who are not honest enough to actually front up and tell us that this is what is going on. The greenhouse gas emissions targets announced by the Abbott government this morning—fronted by the Prime Minister; the foreign minister, Ms Bishop; and Mr Hunt—have been described variously as ‘pathetically inadequate’, ‘defeatist’ and ‘a failure’. What we see here are weak and dangerous targets brought into the public debate by a weak and dangerous Prime Minister. The targets announced by the Prime Minister this morning are less than the bare-minimum bottom of the range proposed by the Climate Change Authority, an authority set up by people who actually know what they are talking about—unlike any of the three frontbenchers who put their views to the press gallery this morning.

You would have to ask yourself: is this government up to it? It does get complex when you are talking about different baseline years, different strategies, different targets and different years for those targets to take effect. I guess I do not blame people for just finding the whole thing a bit difficult. But here is the main question to put to the government on what they have thrown at us this morning: is this government actually proposing to transform the Australian economy to decarbonise it, to maintain people’s quality of life and to protect the economy and in fact make it more resilient while decarbonising it? Or is this in fact a proposal to keep us stuck exactly where we are: a dead-end, rust belt economy looking down the barrel as coal and gas go down the plughole in the twilight of the fossil age?
The fact is that we know which of those things is going on here—whether this is transformative policy being announced by a government that actually has a plan or whether this is basically a dead end. And Mr Abbott, fortunately, made it easier for us, because he said:

In fact, the only way to protect the coal industry is to go with the sorts of policies that we have. This morning the Prime Minister, under a cover of pretending to make an announcement about greenhouse gas emission targets, in fact announced that the protection of the coal industry, and by extension the gas industry, would continue. Does this government have a plan for decarbonising the energy sector? No, it does not. Actually, it has moved in precisely the opposite direction and has done everything it could to sabotage the emergence of the clean energy sector—wind energy plants, solar energy, innovative forms of clean energy, like wave energy plants or biomass—by attacking the renewable energy target with the support, for some reason or another, of the Labor Party. They tried to demolish the Clean Energy Finance Corporation on more than one occasion. They have ripped funding out of ARENA, which provides the R&D and the start-up funding for innovative projects. They removed the carbon price so that the coal and gas industry can now dump this stuff into the air again for free. And there has been this ridiculous, almost comical sabotage of the wind energy industry at the behest of crossbenchers, reacting to some agenda that is basically impossible to figure out, as well as cutting all the public transport funding. Keep in mind that this is not just about the energy sector; it is about every quarter of the economy that generates greenhouse gas emissions. And Australia has the most energy-intensive economy in the world. There are solutions out there. They are everywhere, whether in clean energy, like concentrated solar thermal plants or the industrial wind industry, or at the more innovative end—the building sector, the construction sector, public transport. There are plenty of solutions out there, and this government has its back turned to all of them.

Do not insult our intelligence and tell us that these are credible greenhouse gas emission targets. This was an announcement designed to keep Australia exactly where it is: looking down the barrel of the twilight of the fossil age as the customers who we figured would just keep buying more and more of our coal are basically turning their backs. Not only are they choking to death on the localised atmospheric pollution from the stuff but they have seen the writing on the wall and have realised that if you can run your energy sector without fuel on the power provided for free, effectively, by the infinite flows of sun, wind, wave and geothermal energy—if we are clever enough to get it out of the ground—then that is the future. These countries have figured out that that is what the 21st century is going to be about.

But, instead, the Prime Minister had the gall to stand in front of us this morning and say, with a straight face, that these targets represent us pulling our weight, or punching above our weight—whatever metaphor it was that he chose to use. Do not insult our intelligence. It is nothing of the sort. It is a plan to keep us precisely where we are at the moment, and that is a disaster. This was the last chance for this government to show it actually gives a damn about the kind of future our kids and grandkids are going to be staring down as a result of decisions made today, and it failed that test. Time is up.

Question agreed to.

Senator Lambie: Mr President—
The PRESIDENT: Senator Lambie, if your intention was to speak on taking note of answers—

Senator Lambie: It was.

The PRESIDENT: the time for the debate is only 30 minutes, and that enables six speakers at five minutes each, and usually there is one crossbench speaker in that allocation. Sorry; I cannot assist you any further.

CONDOLENCES

Sim, Mr John Peter, CBE

The PRESIDENT (15:36): It is with deep regret that I inform the Senate of the death on 29 July this year of John Peter Sim CBE, a senator for the state of Western Australia from 1964 to 1981.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (15:36): by leave—I move:

That the Senate records its deep regret at the death, on 29 July 2015, of John Peter Sim, CBE, former senator for Western Australia, places on record its appreciation of his long and highly distinguished service to the nation and tenders its profound sympathy to his family in their bereavement.

John Peter Sim, always known as Peter, was born on 21 January 1917 in Colac, Victoria, into a farming family. He was educated at St Peter's Anglican parish school in Murrumbeena, the local state primary school, and then went on to attend Scotch College in Melbourne from 1927 to 1930. After leaving school, he worked on family properties and, at the outbreak of World War II, he served first in the militia and then enlisted in the AIF in 1941. He was commissioned as a lieutenant, posted first to Geelong and then to the Northern Territory until 1943. He spent much of the rest of the war on active service in New Guinea, interrupted with training in intelligence and photo interpretation in Queensland. At the close of hostilities in 1945, Peter Sim was made commander of the Rabaul compound for suspected war criminals and was made a temporary captain. In 1946 he returned to civilian life.

Attracted by opportunities to buy rural land in Western Australia, Peter and his twin brother, Hugh, moved to that state in 1946, each acquiring farms and embarking on wool growing. Their parents later joined them in the west. His family had a tradition of involvement with the United Australia Party in Victoria, so, on his arrival in Western Australia in 1946, Peter Sim joined the newly formed Liberal Party and was active in branch affairs. In 1958 he was selected for the third position on the Senate ticket but was unsuccessful. In 1960 he was elected vice-president of the Liberal and Country League and chaired the rural committee. In 1964 Senator Seddon Vincent died and the party looked for a replacement who might speak for rural and regional Western Australia. It is worth noting that Peter Sim beat Reg Withers in that preselection ballot and was appointed to the Senate at the end of 1964. He was subsequently returned at many an election—in 1966, 1967, 1974 and 1975.

Peter Sim concentrated his attention in the Senate on agriculture, foreign policy and Papua New Guinea. He was regarded as a courteous senator who was always well prepared in debate. Peter Sim was supportive of the gradualist approach to independence for Papua New Guinea and showed his own independent streak in frequently questioning accepted wisdom on a range of foreign policy areas, especially the place of Taiwan and Russian expansionism. He
was a longstanding member of the Joint Committee on Foreign Affairs, later to become the Joint Committee on Foreign Affairs and Defence, and was chairman of the Senate Standing Committee on Foreign Affairs and Defence from 1971 to 1973 and again from 1976 until 1981. He worked very hard to secure bipartisanship in its reports.

Although unafraid to sometimes step on the toes of the government of which he was a part, his integrity and approach to his parliamentary duties were well regarded and were recognised in the New Year's honours of 1983, when Peter Sim was appointed a Commander of the Order of the British Empire for parliamentary service. In his valedictory speech, Senator Sim drew on the old quote 'curse my enemies and bless my friends' and said that he wanted to leave the chamber 'without having to curse anyone and only to bless my friends on both sides of the chamber'. He singled out a number of senators from the other side of the chamber, some of whom he said had become his friends. He was certainly a parliamentarian of the old school. He was a senator for Western Australia from 1964 to 1981.

After leaving the Senate, Mr Sim continued to be involved in public life. He served on the Senate of Murdoch University and as a board member of the Asia Research Centre. He was President of the Western Australian branch of the Australian Institute of International Affairs, and the annual AIIA Peter Sim Prize for the best undergraduate student in international relations at the University of Western Australia is named in his honour. His long contribution to Australian-Japanese relations was recognised in 2006, when that country awarded him the Order of the Rising Sun.

In 1968 Peter Sim married Paula Clarkson, and it is to her, to their daughter, Elizabeth, to their son-in-law, Ross, and to their grandchildren, Erin and Katelyn, that we express our sincere sympathies today. Dying in his 99th year, Peter Sim served his country in war and his state in the Australian Senate, through the Liberal Party, for some 17 years, and he made a substantial contribution to public discourse and international understanding. We honour him today.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (15:42): I rise to speak on this motion of condolence on the passing of John Peter Sim CBE, a senator for Western Australia from 1964 to 1981, on behalf of the opposition. At the outset, I convey our sympathy to Mr Sim's relatives and friends.

Peter Sim came to the Senate in 1964 to fill a casual vacancy and was subsequently re-elected to complete the remainder of the term in 1966. He was re-elected in 1967, 1974 and 1975. As with many of his generation, his early adult years were dominated by World War II. He served from 1941 to 1946, remaining in Papua New Guinea following the end of hostilities, the 70th anniversary of which we mark this week. In light of this history, it is conspicuous that in 2006 he was bestowed with the second-highest award given by the Japanese Emperor, in recognition of his actions in parliament and afterwards to foster friendly and constructive relations between Australia and Japan. This included heading what was described as an 'influential inquiry' in 1972 that resulted in closer economic and cultural ties with Japan. In addition, following his departure from the Australian Senate, he helped to establish Japanese language courses and promote academic exchanges between the two countries as a member of another senate, that of Murdoch University, and later of the board of its Asia Research Centre.
Having worked on his family's rural properties in Victoria prior to the outbreak of war, following his return to Australia Mr Sim moved to Western Australia with his brother, keen to take advantage of cheap farmland in the Great Southern region. At the same time, he joined the Liberal Party and, after being unsuccessful in a bid for election from the third place on the Senate ticket in 1958, was selected over future Liberal Senate leader Reg Withers to fill the casual vacancy I referenced, in 1964. As the party was seeking a candidate who could speak for rural and regional Western Australia—The Biographical Dictionary of the Australian Senate records—Sim was preferred over Withers 'by a wide margin'.

The decision to join the Liberal Party and not the Country Party is a significant one because it provides a frame through which to understand Peter Sim's approach to issues of concern to rural constituents. Like others from both sides of politics with a farming background, such as Liberal Bert Kelly from South Australia and Labor's Peter Walsh, also from Western Australia and whom we farewelled earlier this year, Peter Sim recognised the damage that the Country Party's inward-looking policies and reliance on protection and subsidies were doing to agricultural industry in Australia. Mr Sim disliked the system of high tariff protection that was virtually unchallenged in Australia until the 1970s and supported attempts to liberalise trade. He praised the Whitlam government's efforts in this area.

Mr Sim served on a number of parliamentary committees at a time before the current system of standing committees was put into place, and his committee work was well regarded. I particularly note his work on the Select Committee on Medical and Hospital Costs. This committee recommended increases to Commonwealth payments to hospitals for beds occupied by uninsured patients, which led to Labor moving an amendment to the National Health Bill 1970. Peter Sim crossed the floor with two of his colleagues to support the successful Labor amendment.

Peter Sim's interest in foreign affairs and defence has been well documented, and he chaired the Senate standing committee from 1971 to 1973 and again from 1976 until his retirement. Building on his war experience in Papua New Guinea, Mr Sim expanded his horizons and took a particular interest in policy in Asia and the Pacific. He worked assiduously to ensure the reports presented were bipartisan and, on at least one occasion, joined with Labor members to deliver a minority report. He was not afraid to speak against the policies of his own government in the areas of foreign affairs and defence.

Delivering remarks on the valedictory in 1981, Labor's Senate leader, John Button, noted:

Senator Sim will be remembered particularly for his thoughtful and courageous contributions over some period to foreign affairs debates and the committees concerned with foreign affairs. In a lighter moment, Senator Button also apologised for continually referring to Sim as 'Senator Slim' one night during debate.

In his own valedictory remarks, then Senator Sim was generous enough to state:

I have enjoyed the friendship of many people from all walks of life, but, above all, I mention my political opponents. I will not name them all, but I look across and see perhaps some of my closest friends sitting on the opposite side of the chamber.

Peter Sim died on 29 July 2015 at the age of 98.

Again we extend our deepest sympathies to his family, friends and former colleagues at this time, and we honour his service.
Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (15:48): I also rise to associate The Nationals with this condolence motion for Mr John Peter Sim CBE, former senator for Western Australia. I would like to take the opportunity to first acknowledge that it has been a pretty difficult week for parliament. Yesterday we remembered Alby Schultz and Don Randall, who sat in the other place. Today we remember John Peter Sim, senator for Western Australia from 1964 to 1981. While it has been some time since Mr Sim has been in this place, it is just as important that we reflect on his service and great contribution to the state of Western Australia and the nation.

Peter was a country boy. He was raised on a farm in Victoria. He worked on his family farms, mainly farming cattle and lamb. After the outbreak of the Second World War, he enlisted in the Australian Imperial Force and was first posted to Geelong before spending time in my electorate, the Northern Territory, for over two years. Mr Sim then served for two years in Papua New Guinea, and at the close of hostilities in 1945 he was responsible for the compound for suspected war criminals. Like all service men and women, his service to this country should not be forgotten, and I would like to pay my respects particularly for his service.

After the Second World War, Mr Sim relocated to Western Australia, where he went into partnership with his twin brother, Hugh, and bought farms across the state. Farming has been a cornerstone of Australia’s development, and we in The Nationals recognise how challenging it can be to start up your own agricultural business. It must have been especially rewarding to go into partnership and share this work with your own twin brother.

Mr Sim was chosen by the parliament to represent the state of Western Australia in the Senate after the passing of Senator Seddon Vincent in 1964. Like many of my colleagues in The Nationals, he was selected because he was a voice for regional and rural areas of his state. Then, as a Liberal, Mr Sim was re-elected by the people of Western Australia in 1967 and represented his state for nearly 17 years. Mr Sim made a great contribution throughout this long service, particularly on issues of foreign affairs and defence policy, as well as matters affecting the agricultural sector, given his strong experience in this area. He was well known for being keen to get firsthand experience to inform his views on foreign policy and made multiple visits to Indonesia, Japan and Taiwan. His expertise in this area was recognised, as he was a member of the Senate standing committee on foreign affairs and defence for 10 years, as well as being chairman of the committee.

Mr Sim was not afraid to speak his mind. He made independent decisions, even if it meant crossing the floor, including when he did not agree with the policies of his own party. He made close friends, not only his party members but also those who sat opposite in the chamber. In Mr Sim’s valedictory speech he said:

… Curse my enemies and bless my friends. I hope I leave this place without having to curse anyone and only to bless my friends on both sides of the chamber.

In 1982, Mr Sim was appointed a Commander of the Order of the British Empire, and in 2006, significantly, Japan recognised his long contribution to Australia-Japan relations and assistance particularly to Japanese officers accused of war crimes in obtaining justice by awarding him the highest civilian honour, the Order of the Rising Sun, Gold and Silver Star.
Mr Sim's contribution had a great influence on this place and on the lives of people across Australia. On behalf of The Nationals, I offer our condolences to Mr Sim's family and friends. They should be very proud of his achievements.

The PRESIDENT: I ask honourable senators to stand with me in silence to signify their assent to the motion.

Question agreed to, honourable senators standing in their places.

PETITIONS

The Clerk: A petition has been lodged in accordance with the list circulated to senators:

**Shark Culling**

To the Honourable President and members of the Senate in Parliament assembled

We the undersigned do not support the culling of sharks in Western Australia, Queensland, or New South Wales. We ask for an eradication of lethal shark control methods, including drum-lines and beach meshing programs.

We also ask that any replacement shark mitigation policies substituted to be non-lethal so as to attempt to reasonably provide for the safety of people whilst also ensuring much needed protection for our marine environment.

by Senator Siewert (from 6,296 citizens).

Petition received.

NOTICES

Presentation

Senator Rice to move:

That the Senate—

(a) notes that:

(i) in April 2015, the Minister for the Environment up-listed Victoria's animal emblem, the Leadbeater's Possum, to critically endangered which is one category level prior to becoming extinct in the wild,

(ii) the 'Threatened Species Strategy Action Plan 2015-16—20 mammals by 2020' released by the Government on 16 July 2015 states that emergency intervention is required for this species, and

(iii) the scientific evidence states that the main threats to the Leadbeater's Possum habitat are native forest logging and fire, and that fire risk is exacerbated by logging activity; and

(b) calls on the Government to:

(i) take urgent action to immediately protect the Leadbeater's Possum from extinction, including:

   (A) immediately listing the montane ash forests of the Victorian Central Highlands on the Register of Critical Habitat, and

   (B) working with the Victorian Government to implement an immediate moratorium on logging in the native forests of Victorian Central Highlands, while the taskforce considering the future of logging in these forests carries out its investigations, and

(ii) scrap the Regional Forest Agreement which entrenches industrial scale clear fell logging in these forests.
Senator O'Sullivan to move:

That the Senate notes:

(a) that the opportunity now exists for Australian mango growers—a $110 million a year industry that produces the best mangoes in the world—to nominate for export to lucrative markets such as the United States of America, China, Japan and Korea;

(b) that a key to increasing farm gate returns for Australian producers is through creating new trade opportunities for Australia's agricultural sector;

(c) that since September 2013, the Government has achieved 42 key market access gains or restorations of suspended markets, and 14 key market access improvements or actions to maintain market access; and

(d) the knee-jerk reaction of the Australian Greens in opposing free-trade agreements places in jeopardy Australian producers' access to new markets and the growth of primary production export industries.

Senator Rhiannon to move:

That there be laid on the table by the Minister representing the Minister for Education and Training, no later than 11 am on Wednesday, 19 August 2015, all documents held by the Government in relation to the modelling or costings of impacts of the Government's proposed changes to higher education or funding for students, universities or other related changes regarding higher education not previously provided to the Senate, including but not limited to:

(a) the impact of removing caps on university fees charged to students;

(b) calculations of the potential impact on student fees, accumulated student HELP debt and loan costs, and interest rates where applicable;

(c) the effects of accumulated fee and loan costs for female graduates over their working lives;

(d) the level of public funding to public and for-profit higher and VET education providers, including the potential cost of cuts for individual institutions;

(e) cuts to course funding;

(f) the assessment of impacts of deregulation and funding on regional public universities; and

(g) access by lower income, regional and other students suffering disadvantage to a full choice of university courses.

Senator Fifield to move:

That the following bill be introduced: A Bill for an Act to amend the Aged Care Act 1997, and for related purposes. Aged Care Amendment (Independent Complaints Arrangements) Bill 2015.

Senator Williams, Senator Canavan and Senator O'Sullivan to move:

That the Senate notes that:

(a) the beef industry is worth $8.5 billion to Australia;

(b) a report released by the Australian Bureau of Agricultural and Resource Economics and Sciences [ABARES] shows that farm incomes are increasing for Australia's beef producers;

(c) beef producers in northern Australia have enjoyed a 98.1 per cent increase or around 50 per cent above the average for the previous 10 years;

(d) beef producers in southern Australia have seen their farm cash income increase from $38 100 a farm in 2013-14 to $64 000 a farm in 2014-15;

(e) increases in the numbers of cattle sold for live export and higher prices have resulted in the farm cash income in the northern live cattle export region increasing from an average of $143 000 in 2013-14 to $277 000 in 2014-15; and
(f) the Australian Government's free trade agreements with China, Japan and Korea, combined with the live cattle trade negotiations with China, ensure a strong and prosperous future for the beef industry.

Senator Brown to move:
That the Joint Standing Committee on Electoral Matters be authorised to hold private meetings otherwise than in accordance with standing order 33(1) during the sittings of the Senate, from 9.40 am to 11 am, as follows:
(a) Wednesday, 12 August 2015;
(b) Wednesday, 19 August 2015;
(c) Wednesday, 9 September 2015;
(d) Wednesday, 16 September 2015;
(e) Wednesday, 14 October 2015;
(f) Wednesday, 11 November 2015;
(g) Wednesday, 25 November 2015; and
(h) Wednesday, 2 December 2015.

Senator McKenzie, Senator Wong, Senator Fierravanti-Wells and Senator Hanson-Young to move:
That the Senate—
(a) notes:
(i) that netball is the largest female community-based sport in the world, with more than 70 nations competing and more than 21 million participants,
(ii) that netball is ranked as the leading women's participation team sport in Australia for 15-24 year olds, boasting more than 350 000 registered members with an estimated 1.2 million people nationwide who are involved in the game as players, umpires, coaches and administrators,
(iii) the important role netball plays in empowering young women and girls through competitive sport and teamwork,
(iv) the Netball World Cup is being held in Sydney, from 7 August to 16 August 2015, with 16 nations playing a total of 64 matches over 10 days,
(v) that Australia has a strong record of success in World Cup matches, winning the sport's first gold medal in 1963 as well as a total of 109 of its 116 World Cup matches, and securing a record 10 World Cups, and
(vi) that the Australian Government invested $300 000 to support the participation of qualified teams from Zambia, Uganda, Sri Lanka, Malawi and Samoa at the 2015 Netball World Cup, removing the financial barriers for these nations to ensure they can compete in Sydney; and
(b) wishes:
(i) the Australian Diamonds, led by captain Ms Laura Geitz and coach Ms Lisa Alexander, great success as they chase a record 11th World Cup in Sydney, and
(ii) a successful and enjoyable World Cup for Australia and the 15 other competing nations.

Senator Siewert to move:
That the Senate—
(a) notes:
(i) with sadness that 4 August 2015 marked one year since the death of Ms Dhu in police custody in Western Australia, and
(ii) that the inquest into Ms Dhu's death still has not occurred and will not until the end of 2015, and that meanwhile fine defaulters are still being gaoled in Western Australia; and
(b) calls on the Federal Government to continue to work with its state and territory counterparts to implement the remaining recommendations from the Deaths in Custody report.

BUSINESS
Consideration of Legislation
Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (15:52): I move:
That general business order of the day no. 1 (National Integrity Commission Bill 2013) be considered on Thursday, 13 August 2015 under the order relating to consideration of private senators' bills.
Question agreed to.

COMMITTEES
Community Affairs References Committee
Education and Employment References Committee
Reporting Date
The Clerk: Notifications of extensions of time for committees to report have been lodged as follows:
Community Affairs References Committee—out of home care, extended to 18 August 2015
Education and Employment References Committee—Australia's temporary work visa programs, extended to 14 October 2015

The PRESIDENT (15:53): Does any senator wish to have any of those motions put?
There being none, I shall now proceed to the discovery of formal business.

BUSINESS
Rearrangement
Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (15:53): I move:
That on Wednesday, 19 August 2015 consideration of the business before the Senate shall be interrupted at 5 pm, but not so as to interrupt a senator speaking, to enable valedictory statements to be made relating to Senator Wright.
Question agreed to.

MOTIONS
Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment
Senator WRIGHT (South Australia) (15:54): I ask that general business notice of motion No. 782 standing in my name for today, relating to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, be taken as a formal motion.

The PRESIDENT: Is there any objection to this motion being taken as formal?
Senator Moore: Yes.

The PRESIDENT: There is an objection.

Senator Wright: I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator Wright: I am greatly concerned that the government has chosen to deny me a chance to put this important motion to expedite the ratification of OPCAT, the Optional Protocol to the Convention against Torture. This OPCAT was voluntarily signed up to by an Australian government in 2009, and since then both Labor and coalition governments have inexplicably dragged their feet in its ratification. OPCAT would ensure independent monitoring and reporting on places of detention in Australia, all those places where some of the most overlooked marginalised and powerless people are kept detained: prisoners in jails and police lockups, patients in psychiatric facilities, young people in juvenile detention, and asylum seekers. With very recent examples of deaths in custody and cruel and inhumane treatment of people detained, it is very disappointing that I have been prevented from putting this motion today. It is crucial to fully ratify the protocol and set clear time frames to implement. Australia’s own good standing is at stake.


The PRESIDENT: Leave is granted for one minute.

Senator Fifield: Just for the sake of accuracy, while the government does not support Senator Wright’s motion, it was the opposition that denied formality on this occasion.


The PRESIDENT: Leave is granted for one minute.

Senator Moore: Yes, Senator Wright, we did deny formality to this important motion, because it is our longstanding practice. Where we have an issue such as this which is complex and creates a number of complex situations and also determines significant discussions across all states and territories, we believe it is not appropriate to use the notice of motion process for that, and that is our standard practice.

Workplace Relations

Senator Cameron (New South Wales) (15:56): I, and also on behalf of Senator Rhiannon, move:

That the Senate—

(a) notes the termination by Hutchison Ports Australia of 97 of its employees by notice given in text messages and emails sent late at night on Thursday, 6 August 2015;

(b) affirms that the method of giving notice of termination of its employees by Hutchison Ports Australia was callous and disrespectful to its employees, and has no place in any workplace; and

(c) having regard to the potential disruption to Australia’s ports the dispute may cause, calls on the parties to the dispute to respect pre-dispute employment arrangements and to commence co-operative negotiations to resolve the dispute as soon as possible.

Senator Fifield (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (15:57): I seek leave to move an amendment to Senator Cameron’s motion.
Leave not granted.

Question agreed to.

**Senator FIFIELD** (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (15:57): I seek leave to make a short statement.

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

**Senator FIFIELD:** The Minister for Employment has all along called on parties to show each other respect and due consideration. Redundancy is a delicate issue. Even when a workforce anticipates that redundancies are likely, as it appears may have occurred in this case, it is still a difficult time for workers and their families when they are told that they are going to be made redundant. It is regrettable that the method of communicating with workers has not helped this already difficult situation. There is an enterprise agreement that applies at this workplace, and it includes consultation requirements and a dispute resolution clause. I urge all parties to comply with all requirements in the enterprise agreement. This issue has been referred to the independent umpire by both the employer and the union. It is incumbent on all parties to engage with the commission in working through the issues. It is not for industrial parties to pick and choose which of the independent umpire's decisions they will abide by. Such an approach only devalues the institution of the independent Fair Work Commission.

**Senator CAMERON** (New South Wales) (15:58): I seek leave to make a short statement.

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

**Senator CAMERON:** First of all, could I indicate that the motion that was before the Senate, general business notice of motion No. 783, was in my name and Senator Rhiannon's. I apologise for missing that out.

Could I also indicate that it is okay coming here talking about Fair Work Australia and about people needing to get round the table to deal with these issues, but this is the first time I have ever heard of this happening in Australia where workers have received an email or a text message to sack them from a major multinational company. This is outrageous. I thank the Senate for supporting the motion in my name and Senator Rhiannon's name, and I think it is incumbent upon this company to get round the table with the workers and the Maritime Union of Australia, resolve this dispute and treat its workers with respect.

**Senator RHIANNON** (New South Wales) (15:59): I seek leave to make a short statement.

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

**Senator RHIANNON:** I also thank the Senate for passing this. This will give great encouragement to the workers who are being put in the very difficult position of losing their jobs in such an ugly way. By text and email is certainly not the way any workplace should be conducted. The MUA and the workers who Senator Cameron and I were with, on Sunday, said they just want to sit down and negotiate and that they are very committed to making their work productive. There is already a high level of productivity there and they are ready to negotiate to ensure that this is a well-functioning port. The concern that many of them spoke about is that this company, Hutchison, is very centred on setting up a body-hire system. That is something that we see as a tactic coming from this government where they are committed
to stripping down penalty rates, and there was a real concern that what will be critical to winning this campaign is defeating the Abbott government.

**Northern Australia**

**Senator BUSHBY** (Tasmania—Chief Government Whip in the Senate) (16:01): At the request of Senator O'Sullivan, I move:

That the Senate endorses the Northern Australia White Paper that will unlock the capacity and capability of the north through increased investment in water infrastructure, including:

(a) $200 million of investment in water infrastructure in the north as part of a new National Water Infrastructure Fund;

(b) $15 million for water resource assessments to determine available water (and soils) for development in the Mitchell River (Queensland), West Kimberley (Western Australia) and Darwin (Northern Territory) catchments;

(c) up to $5 million for a feasibility study for Nullinga, and up to another $5 million for a soils analysis of the Ord Stage Three; and

(d) a feasibility study into the 4 metre extension on the Lake Argyle spillway that would increase storage capacity by nearly 5 million mega litres—the biggest increase in public water storage in Australia in more than 4 decades.

Question agreed to.

**COMMITTEES**

**Abbott Government's Budget Cuts Select Committee**

**Appointment**

**Senator WHISH-WILSON** (Tasmania) (16:01): I move:

That the resolution of 25 June 2014 appointing the Select Committee into the Abbott Government's Budget Cuts be amended by omitting "to be known as the Select Committee into the Abbott Government's Budget Cuts" and substituting "to be known as the Select Committee into the Scrutiny of Government Budget Measures".

Question agreed to.

**MOTIONS**

**Workplace Relations**

**Senator LAZARUS** (Queensland) (16:02): I, and also on behalf of Senator Rice, seek leave to amend general business notice of motion No. 786 standing in my name in the terms circulated in the chamber.

Leave granted.

**Senator LAZARUS:** I move the motion as amended:

That the Senate—

(a) notes the manner in which the 97 Australian workers (57 in Sydney and 40 in Brisbane) were sacked by Hutchison Ports Australia on Thursday, 6 August 2015, via text message and email;

(b) expresses concern:

(i) for the workers, and

(ii) that the sackings may be in breach of Fair Work laws and legislative instruments;
(c) acknowledges that business practices of this nature are not welcome or considered acceptable behaviour in Australia; and
(d) calls on the Prime Minister (Mr Abbott) and the Minister for Employment (Senator Abetz) to defend Australian jobs, and intervene in this unjust treatment of Australian workers.

I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator LAZARUS: The people of Australia desperately need to see the government and community leaders get behind Australian jobs for Australian workers. While I appreciate that the Hutchison Port issue is complex and currently unfolding, it is the role of the government and the parliament to show leadership and to restore competence in our own abilities and capabilities as a nation. We need to stop pandering to everyone else and start putting the interests of Australians first. The Hutchison Port sackings are atrocious, but sackings like this are happening all over Australia. This is not the business practice we should tolerate nor is it behaviour we should accept. This motion is about sending a strong message to the community that we care about Australian jobs for Australian workers.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (16:03): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator FIFIELD: While the government agrees with the broad sentiment expressed in the motion moved by Senator Lazarus, this matter is currently before the Fair Work Commission with both the employer and the union referring this matter to the independent umpire. The commission is in the middle of dealing with the issue. This motion invites the Senate to express a concluded view on matters which are live before the independent Fair Work Commission. The commission is the appropriate independent body to deal with this dispute and it will make whatever decisions it will. This government is concerned to ensure that we continue to build the economy to provide jobs growth and make existing jobs sustainable.

Question agreed to.

COMMITTEES
National Capital and External Territories Committee
Meeting

Senator McEWEN (South Australia—Opposition Whip in the Senate) (16:06): At the request of Senator Brown, I move:

That the Joint Standing Committee on the National Capital and External Territories be authorised to hold private meetings otherwise than in accordance with standing order 33(1), followed by public meetings, during the sittings of the Senate, as follows:
(a) Thursday, 13 August 2015;
(b) Thursday, 20 August 2015;
(c) Thursday, 10 September 2015;
(d) Thursday, 17 September 2015;
(e) Thursday, 15 October 2015;
QUESTION AGREED TO.

MOTIONS

Shipbuilding Industry

Senator LAZARUS (Queensland) (16:06): I seek leave to amend general business notice of motion No. 788 standing in my name, for today, relating to Australia's shipbuilding.

Leave granted.

Senator LAZARUS: I move the motion as amended:

That the Senate—

(a) recognises the need for the Australian Government to support Australia's shipbuilding and maintenance industry, Australian maritime jobs and to restore confidence in the sector;

(b) notes that Cairns, Queensland has a rich naval shipbuilding heritage, including the building of the 14 Fremantle Class patrol boats, and that a Cairns consortia has submitted a bid for the Federal Government Pacific Patrol Boats Tender; and

(c) calls on the Government to confirm that the outcome of the Pacific Patrol Boats Tender will not be affected by Prime Minister Mr Tony Abbott's commitment to build naval vessels in South Australia.


The PRESIDENT: Leave is granted for one minute.

Senator FIFIELD: The Prime Minister announced on 4 August that the government would commit to an historic continuous build of surface naval vessels in Australia. As part of this, the future frigates and our new offshore patrol vessels will be built in Australia. Both these programs have been brought forward, which will preserve up to 1,000 jobs that would otherwise have been lost as a result of the former government's inaction on shipbuilding.

I would like to clarify to Senator Lazarus that the announcement last week stipulated that the future frigates would be built in South Australia. It also said that the offshore patrol vessels will be built in Australia with a specific location to be determined following a competitive evaluation process. The construction of the Pacific patrol boats is a separate program to both of these and was not part of the announcement made last week. The tender for the Pacific patrol boats has closed and the responses are currently being assessed by the Department of Defence, with a government decision due following the completion of that process.

Question agreed to.

Wishart, Ms Felicity

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (16:08): I seek to add the name of Senator Siewert to general business notice of motion No. 789.

The PRESIDENT: Yes, it can be added. Senator Siewert's name is now added.

Senator WATERS: I, and also on behalf of Senator Siewert, move:
That the Senate—

(a) expresses its deep gratitude for the great and pivotal contribution to Australia's environment movement made by the late Felicity 'Flic' Wishart; in particular, her contribution to campaigns to protect our rainforests, stop broad-scale land clearing in Queensland, protect our wild rivers, confront the threat of climate change, protect the marine environment and finally to the ongoing campaign to protect the Great Barrier Reef; and

(b) conveys its sympathy and condolences to her partner Todd and her two sons, Bardi and Clancy.


The PRESIDENT: Leave is granted for one minute.

Senator FIFIELD: The coalition government offers its sincere condolences to Ms Wishart's friends and family. Felicity Wishart made a significant contribution to environmental advocacy throughout her career. While we have not always seen eye to eye on policy approaches, the government respected the passion and spirit of her efforts.

Question agreed to.

DOCUMENTS

Perth Freight Link

Order for the Production of Documents

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (16:09): I move:

That—

(a) the Senate notes the non-transparent process the Barnett and Abbott governments have followed in relation to the Roe 8 Extension and Perth Freight Link; and

(b) there be laid on the table by the Minister representing the Minister for Environment, no later than 5 pm on Wednesday, 12 August 2015, the following documents which are not publicly available but crucial to the assessment process:

(i) the draft Strategic Environmental Assessment of the Perth and Peel Region, including any advice requested from the Western Australian Government on its progress;

(ii) evidence that the proponent's offset proposal can be met,

(iii) any completed Aboriginal cultural heritage surveys and evidence of the Western Australian Department of Aboriginal Affairs' Aboriginal Cultural Material Committee 'sign off' on the Roe 8 Extension,

(iv) evidence of formal consultation with Whadjuk Noongyar representatives,

(v) any evidence to support the proponent's assertion on the Main Roads Western Australian website that the Whadjuk Noongyar people support the Roe 8 Extension and Perth Freight Link,

(vi) evidence that the Hope Road Swamp (Roe Swamp) site was deregistered during the time of environmental assessment on the Roe 8 Extension,

(vii) any survey work on the Mound (tumulus) Spring Inquiry post September 2013, and any advice on exact weighting of various Mound Spring categorisation criteria,

(viii) the independent modelling on the increased traffic, diesel particulate pollution, and noise pollution due to the increased scale and size of the Perth Freight Link project since the project was submitted for assessment in 2009,
Any material, including maps, relating to alignments for the Perth Freight Link through North Fremantle,

Evidence of consideration of alternatives to the proposed Perth Freight Link, and

The business case for the Perth Freight Link.


The PRESIDENT: Leave is granted for one minute.

Senator FIFIELD: Some of the documents sought by Senator Ludlam are either Western Australian government documents or documents not required under national environmental law. As with all projects assessed under the EPBC Act, these projects are subject to a robust and transparent assessment process. Documents relevant to matters of national environmental significance have been made public and there has been ample opportunity for Senator Ludlam or any other interested parties to provide comment. The documents relating project details are commercial-in-confidence and may prejudice Commonwealth-state relations.

A 30-page summary business case for the Perth Freight Link was publicly released in December 2014, which details a breakdown of the benefit-cost analysis results, the problems the project will resolve, the current challenges facing Western Australia and the freight system, and the scope of the project.

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (16:11): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator LUDLAM: I recognise that Senator Fifield is sent in here with a brief by other ministers. He is not responsible for this portfolio but for the brief that they gave you to read, Senator Fifield, that said that this process has been robust and transparent, I could have called you out for misleading the chamber. The fact is that this is the least robust and transparent project assessment framework that I have ever come across. This project is worth somewhere between $1.6 billion and $2½ billion and it was signed off without the business case, traffic modelling, environmental impact assessment having been done, strategic impact assessment of the Perth and Peel Region being done or a benefit-cost analysis. The Prime Minister just said: 'Yes, this is the one that we are going to do. We are going to build this thing whether they like it or not.' And now Commonwealth bureaucrats and the state bureaucrats are left to try and come up with some kind of justification. The Perth Freight Link is a disaster. More than 30 community groups have mobilised to confront it and to stop it. We need some transparency and we need these documents to be put into the public domain. (Time expired)

Question agreed to.

Victory in the Pacific Day

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (16:12): I, and also on behalf of Senator McEwen, move:

That the Senate—

(a) notes:

(i) that 15 August 2015 marks the 70th anniversary of Victory in the Pacific on 15 August 1945,

(ii) that this date marked the end of World War II for Australia,
(iii) the bravery and sacrifice of all those sailors, soldiers and aviators who served in the Pacific Theatre, and

(iv) the contribution made in support of the war effort by those at home; and

(b) records our everlasting gratitude for their service to Australia, and for the support of our gallant allies, in this conflict.

Question agreed to.

REGULATIONS AND DETERMINATIONS

Amendment to List of CITES Species

Disallowance

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (16:13): I move:

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

(b) on Wednesday, 12 August 2015, the business of the Senate notice of motion proposing the disallowance of the Amendment to List of CITES Species, Declaration of a stricter domestic measure, standing in the name of Senator Leyonhjelm, for that day be called on no later than 6.15 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.

DOCUMENTS

Consideration

The government document tabled today and general business orders of the day relating to government documents were called on but no motion was moved.

COMMITTEES

Consideration

The following orders of the day relating to committee reports and government responses were considered:

Rural and Regional Affairs and Transport References Committee—Industry structures and systems governing the imposition and disbursement of marketing and research and development (R&D) levies in the agriculture sector—Report. Motion to take note of report moved by Senator Leyonhjelm. Debate adjourned till the next day of sitting, Senator Leyonhjelm in continuation.


Rural and Regional Affairs and Transport References Committee—Report—Current and future arrangements for the marketing of Australian sugar—Erratum. Motion to take note of document moved by Senator McEwen. Debate adjourned till the next day of sitting, Senator McEwen in continuation.

Recent Allegations relating to Conditions and Circumstances at the Regional Processing Centre in Nauru—Select Committee—Report. Motion to take note of report moved by Senator McEwen. Debate adjourned till the next day of sitting, Senator McEwen in continuation.
Wind Turbines—Select Committee—Report. Motion to take note of report moved by Senator Leyonhjelm. Debate adjourned till the next day of sitting, Senator Leyonhjelm in continuation.

Economics References Committee—Digital currency—game changer or bit player—Report. Motion to take note of report moved by Senator McEwen. Debate adjourned till the next day of sitting, Senator McEwen in continuation.

Community Affairs References Committee—Availability of new, innovative and specialist cancer drugs in Australia—Interim report. Motion to take note of report moved by Senator McEwen. Debate adjourned till the next day of sitting, Senator McEwen in continuation.


Rural and Regional Affairs and Transport References Committee—Report—Industry structures and systems governing levies on grass-fed cattle—Government response. Motion to take note of document moved by Senator McEwen. Debate adjourned till the next day of sitting, Senator McEwen in continuation.


Environment and Communications References Committee—Report—Recent trends in and preparedness for extreme weather events—Government response. Motion to take note of document moved by Senator McEwen. Debate adjourned till the next day of sitting, Senator McEwen in continuation.

Murray-Darling Basin Plan Committee

Membership

The ACTING DEPUTY PRESIDENT (Senator Lines) (16:16): The President has received a letter from party leaders requesting changes in the membership of committees.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (16:16): by leave—I move:

That senators be appointed to the Select Committee on the Murray-Darling Basin Plan as follows:

Senators McAllister and Rhiannon


Question agreed to.

REGULATIONS AND DETERMINATIONS

Family Law (Fees) Amendment (2015 Measures No. 1) Regulation 2015 Disallowance

Senator JACINTA COLLINS (Victoria) (16:17): I, and also on behalf of Senator Wright and Senator Lazarus, move:

I move this motion because substantially the same regulation was made by the Attorney-General and disallowed by this Senate on 25 June this year. The Senate disallowed the Attorney's previous unfair fee hike, and he should be ashamed of his contempt of this chamber with his action. The Attorney-General has had the opportunity to use the winter recess to think about a fairer outcome and he has not used this time wisely. Instead, he has lazily registered substantially the same unfair package and he should be admonished for his laziness.

The fee hikes are nothing more than attacks on families in the midst of one of the most difficult decisions any family can make. For many, there is no alternative to paying a court fee if you come to the difficult point in your life where a divorce is necessary. This extra fee is simply a revenue-raising exercise on families at their most vulnerable stage. Last year, 30,579 people paid the full divorce tax. The revenue the government expected to raise in the first year just from the increase in divorce applications was $10.8 million and much of the revenue raised from these increased fees will go to consolidated revenue, not to resourcing the courts, as has been suggested.

The Attorney-General seems to think that there is somewhat of a crisis about access to justice in this country and there are certainly problems, but that crisis is thanks to the cruel cuts by Senator Cormann and the Attorney-General to legal aid and to community legal centres and the consequences of a belated backflip. The increases to family law fees which the Attorney introduced a second time will only compound that problem. People who are going through the painful process of divorce are the last people the Attorney-General and the Senator Cormann should be targeting for revenue.

The Family Court services the most complex of family law applications including those involving child abuse and family violence—not places in which to play. Senator Brandis would be collecting $70.3 million via the increased court fees and only about 20 per cent of those fees would contribute to better funding the courts. The fee increases would include a 40 per cent increase to apply for a divorce. The cost of filing a subpoena would increase by 125 per cent and $125 would be the fee to amend an application where there is currently no charge.

In the Labor Party, we take the will of the Senate seriously and that has clearly been indicated. We also expect that any Attorney-General, as the highest law officer in the land, would set an example to the legal fraternity of appropriate standards for a legal practitioner. The Attorney should be a beacon of propriety. But what do we have instead? We have an Attorney-General who has made a regulation that is substantively the same as a regulation that was disallowed in just the autumn sittings. The Attorney-General has shown outrageous disregard to all senators in this place, including government senators, because this is a matter of standards. I wonder how he even got this through the standard machinery of government.

His regulations are made, almost certainly, inconsistent with the Legislative Instruments Act 2013. What kind of Attorney-General ignores the will of the Senate and, in the process, breaks the law the Governor-General has asked him to administer? This is why Labor launched proceedings in the Federal Court to declare that this regulation is to have no effect.

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These proceedings were brought by my colleague the Manager of Opposition Business, Senator Moore, and the parliamentary secretary to the shadow Attorney-General, Graham Perrett MP. The case involves the consideration of a simple set of facts. A regulation proposing to raise family law fees was disallowed in the Senate 25 June. A mere 14 days later, the Attorney made substantially the same regulation, raising family law fees but with an additional increase of $5. Outrageous! And the Legislative Instruments Act 2013 prohibits the re-introduction of a regulation similar in substance within six months of a regulation being disallowed.

If these proceedings are successful, it will mean that the second regulation, even prior to its possible disallowance today, never did have any effect. The judge has reserved his decision in those proceedings but has assured the parties that a judgement will be delivered this week. In the meantime, each and every day people suffering family breakdown are paying fee increases that the Senate has already rejected. I think it is incumbent on us to uphold the dignity of the Senate and, at this our very first opportunity, to demonstrate our will clearly again.

The Family Law (Fees) Amendment (2015 Measures No. 1) Regulation 2015 was made on 9 July, registered on 12 July and commenced on 13 July—a very smooth passage through the machinery of government, this supposed group of adults who, Tony Abbott assures us, is governing well. I see questions in that which the government need to address. The second regulation is in identical terms to the first disallowed regulation except for adding $5 to most of the fees. The explanatory statement that accompanies the second regulation says:

Family law fee increases that were intended to commence on 1 July 2015 under Schedule 2 of the Federal Courts Legislation Amendment (Fees) Regulation 2015 were disallowed by the Senate on 25 June 2015. The Government will reintroduce those family law fee increases under the Regulation with an additional $5 increase.

Outrageous! I look forward to seeing the court's interpretation of that action. As well as thumbing his nose at the will of parliament, the Attorney has included a veiled threat to the judiciary in the explanatory statement. He says:

Given the structural deficits currently facing the family courts, the only alternatives would be to cut frontline court services, close registries and not replace judges, which would severely undermine access to justice.

This is a veiled threat to the judiciary. But, as I said, the Attorney-General's ultimatum does not take into account the fact that only a small portion of the revenue he intends to raise will go to the courts. The second regulation was made and the increased fees were implemented after parliament recessed for the winter break. There has been no opportunity for this parliament to disallow this regulation before the fees were implemented—again, contemptuous of this parliament. From 13 July and each day the court registry has been open since, the Attorney-General has been collecting, on average, about $67,000 in revenue through these increased fees—$67,000 each day, in contempt of this Senate.

This divorce tax is bad for the community. We have disallowed it once. We should not have to do so twice, but it has been re-made by an arrogant Attorney-General, who is not fit for purpose. He is already known for interfering in police investigations. He is the same man described by the national president of the Australian Lawyers Alliance as someone who 'lacks judgement'. We have seen that. He has spent more than $20,000 on bookshelves for his
poetry. Let us not talk about helicopters; let us look at bookshelves—$20,000! And, yes, he has tried to ban books from schools that do not agree with his philosophy.

He has politicised his own department, dispatching his departmental secretary to offer an inducement to the Human Rights Commissioner, we will all recall. And the Attorney was rightfully censured by this Senate over that sorry affair. He is no beacon of propriety and Australia deserves better from its first law officer. In fact, I might describe him as the member of the Liberal Party whose sense of entitlement is only second to the former Speaker in the other chamber. Such is his sense of entitlement that when he inherited a fully functioning arts funding model from the previous Labor government, he turned that model on its head. As he outlined in the *Weekend Australian*, the Attorney-General and arts minister felt that he had nothing to do. How entitled can you be? 'His Excellence'—as that article was entitled—has stripped funding from the Australia Council to establish his own grand private arts fiefdom and to fund his own pet projects—outrageous again! He has no respect for good process, no respect for independent thinking and has evidenced this by the implementation of this unfair divorce tax with no respect for the Senate.

Earlier this year, the Prime Minister promised us 'good government starts today'. If the Attorney-General's disregard for the Senate and his unfair divorce tax are an example of Mr Abbott's 'good government' it is little wonder the Abbott government is so toxic within the community.

*Senator WRIGHT* (South Australia) (16:30): I rise to speak on this disallowance motion of the government's court fees, which I have co-sponsored with Senator Collins and the Labor Party today. As everyone in this place would be aware, on 24 June this year I moved a successful disallowance motion, as the legal affairs spokesperson, on behalf of the Australian Greens that should have put an end to this government's blatant attempt to raise revenue at the expense of Family Court users, including women and families at risk of violence. It should have knocked out once and for all this government's greedy and cruel divorce tax—their way of slugging people going through family breakdown a further $350 to obtain a divorce. But, sadly, in an almost unbelievable act of—and I will not use swear words, but people might know what I mean—legal trickery and cynical politics, this government and the Attorney-General tabled almost exactly the same regulation that was voted down by the Senate, which would increase the same range of Family Court fees to the same extent but with the addition of a further $5 in some cases. So, at best, this is a flagrant disregard of the decision of this Senate and, at worst, it is an illegitimate attempt to reintroduce a regulation that is the same in substance as that which was disallowed on 24 June 2015.

The Labor Party is currently testing the legality of the government's actions in the Federal Court. I predict that the court will find that the regulation that was reintroduced by the government will be substantially similar to the regulation that was previously disallowed and I predict that it will be struck down by the court. In the meantime, however, this move by the government has created confusion, chaos, and countless families in breakdown have been paying hundreds of dollars more at registries across Australia to access legal services that they and their children desperately need. What a way to do business! What a way for the Attorney-General, the principal legal officer in this country, to act!

Family court registries are suffering under the serious and confusing uncertainty this government's legal trickery has brought about. In fact, the day that the regulation was
introduced, there was chaos in the registries as people turned up expecting to be paying one thing because of being aware of the decision by the Senate to disallow the previous regulation and were then informed by hapless court staff that the cost had indeed gone up again. So the fees went up, went back down again, went back up and now, if this disallowance is passed, they will go down again. How is this fair? How is this clear? How is this an appropriate way to run the country? What does this achieve? How long will this go on? Surely now is the time to act decisively on this issue. It is time to offer clarity to families using the Family Court who are already often in a state of distress because of the circumstances that are bringing them to the necessity to rely on the court. How will it bring clarity to families? It is important that they understand that the fees will not go up by 40 per cent and bounce around again while the government works out another way to sidestep the law and the clear will of the Senate.

But perhaps I should remind everyone in this place why the issue at the base of this, the cost of access to justice, is so important. We know that the cost of legal proceedings, the cost of access to the law, is the most common barrier for people in Australia now seeking legal help. Court fees are already too high. When it comes to accessing justice, which is a fundamental aspect of having a country where the rule of law is respected and that people can get equal access irrespective of the size of their wallet and only based on the merit of their claim—the people being failed by this government's policies and funding decisions are not just those who are suspected of or charged with some kind of wrongdoing or an offence. These people who are now having trouble accessing basic justice include the most vulnerable and innocent among us, such as children who are experiencing poverty and family violence or women experiencing domestic or sexual violence, for instance, in remote communities. They also include the most ordinary people among us—families who want to clarify guardianship arrangements for their elderly parents, divorcing couples wanting to finalise property settlements or arrangements for the care of their children, or neighbourhoods who are seeking to protect their local environment from harm or degradation.

Over and over again under this government we have seen cruel and counterproductive funding cuts that slice away at the fabric of access to justice in Australia, totalling well over $40 million since the election of this government. We have seen community legal centres and legal assistance services forced to turn away more and more people who are in need. Courts and tribunals have felt the squeeze of so-called efficiency strategies. It beggars my understanding what is efficient about forcing people into a situation where they have to be self-represented or are not able to access justice at all with the flow-on costs that come from unmet legal need. There is nothing efficient about that at all. We are seeing mandatory sentencing policies and other legislative changes designed to remove lawyers and limit judicial discretion. This is the form that this particular government has. This is the form that this Attorney-General has. The result is, at best, a cruel and confusing system that fails to take into account individual experiences and leaves people in Australia without the help they need to understand what the law is and how the system works and, at worst, we are left with a system that leads to unfair outcomes, particularly for those who are not privileged enough to obtain private legal advice—leaving young people institutionalised, families torn apart and children at risk.

Let us cast our minds back. In 2013, the Senate Legal and Constitutional Affairs References Committee, which I chaired at the time, commenced an inquiry, initiated by the Australian Greens, into the impact under the previous Labor government of higher Federal
Court fees on access to justice. There was a great deal of interest in the inquiry from the legal community and a large number of submissions were received. The overwhelming consensus for participants in the inquiry was that the fee increases, at that time, were largely unreasonable and inhibited access to justice.

Indeed, it is very interesting to note that the then shadow Attorney-General, Senator George Brandis, went out and decried the Labor government court fee increases and, in fact, was talking about the then Labor government's disguised divorce tax. So he was very, very loud and vociferous at the time about using the courts as a revenue-raising measure. However, interestingly enough too, as a result of the inquiry, the submissions and the evidence before the committee, the Australian Greens made a primary recommendation in our report from that inquiry that the 2013 fee increases should be wound back to the level which prevailed prior to 1 January 2013. Despite the shadow Attorney-General George Brandis's grandstanding at the time, in fact, the opposition at the time would not sign up to those recommendations. Do not look at what they do, look at what they say—that is what they would have us believe; in fact, look at what they do.

Despite widespread acknowledgement that rising court fees were hindering access to justice, not one of the recommendations from the 2013 Legal and Constitutional Affairs References Committee inquiry into court fees have been implemented. This includes a recommendation that relevant stakeholders from the courts and the legal profession should be consulted before any future changes to Federal Court fees.

In the 2013 inquiry, we also discovered that some Federal Court filing fees have tripled over recent years. This is nothing but a revenue-raising measure and an unfair tax on people who are unlucky enough to have to use the court system. Yet, here we are with this government now proposing further increases to court fees—up to 40 per cent in some cases.

The Australian Greens were particularly concerned about the $350 increase to divorce applications and the potential impact of that on women trying to leave domestic violence and family violence situations. People will understand there is a lot of discussion about family violence and there is a lot of rhetoric from the current government about the need to act. When we look at the actual practical implications of an increase like this, which will impede some women who need the closure of a divorce to end a violent relationship, when it will impede their ability to get that, you have to again say, 'Listen not to what they say, look at what they do.'

With the government fee increases, we have seen the cost of divorce applications rise from $845 to $1,195 in the first tranche of regulations and, of course, that will be even slightly higher under this second regulation that the government has now tabled. This will cause excessive and unfair delays to victims of domestic violence who will be seeking a divorce. In fact, the 2013 Senate inquiry into court fee increases found that higher court costs were indeed dissuading women who were trying to leave abusive marriages. There is evidence in that committee report for anyone who is interested in looking at it.

At a time when family violence is clearly on the national agenda, and rightly so, we must be making every effort, as a community and as a parliament, to protect victims of domestic violence and ensure that they have access to legal advice and to the courts. We have to put an end to the scourge of family violence in this country. Increasing divorce applications by $350 or more will make it even more difficult for women in abusive marriages to leave.
The changes to these Family Court fees, particularly the divorce application fee, are cynical when you realise there is no option for divorcing parties to avoid the courts. It is not as if they can be encouraged to somehow settle their legal differences or their legal claim in any other way. The only way to get a divorce in Australia is to go to the Family Court, make an application and pay for it. So even when they reach an agreement, even when there are consent orders, there is a fee imposed, and there is an increased fee now under these government regulations.

The Australian Greens say that it is completely inappropriate for the government to use family breakdown as a cash cow. While the government has tried to justify these huge fee hikes by suggesting that the money will go to improving court facilities, looking at the truth of the situation only a minor proportion of the $87 million that was predicted to be raised will actually be re-invested in the courts. Only $30 million will be spent on improvements to holding cells and to the safety of child dispute conference areas.

Many legal stakeholders have opposed the fee increases on the grounds that they will significantly impact on low- to middle-income Australians and small- to medium-sized businesses that do not qualify for legal aid or any fee exemption or waiver. They also say these increases are unreasonably large and not justified by any rational policy objective, because really it is just about raising revenue. They are not supported by evidence that changes to fees will advance the government's policy objectives. Legal stakeholders say that these fees will impose an unreasonable barrier to accessing justice by making access to the Federal Court contingent upon the capacity of litigants of various means to meet the substantial additional cost of litigating. The impact on litigants will be inequitable and they will establish a regime which disproportionately impacts on those who have more limited financial means. So we will move, increasingly, to an Australia where justice is as good as you can buy, as good as you can afford, irrespective of the merits of your case.

On that basis, I want to conclude by saying that I urge everyone in this place to support this disallowance and to remain resolute in their commitment not to let this arrogant and unprincipled government take us and the users of the Family Court for granted.

Senator LAZARUS (Queensland) (16:43): I rise to contribute to the discussion on this disallowance motion. I am supporting the disallowance of the Family Law (Fees) Amendment (2015 Measures No. 1) Regulation 2015 for a number of reasons. Firstly, the Abbott government has no mandate to increase the cost of Family Court fees. Unless I am mistaken, the Abbott government has no mandate to increase the cost of Family Court fees. Unless I am mistaken, the Abbott government has no mandate to increase the cost of Family Court fees. Unless I am mistaken, the Abbott government has no mandate to increase the cost of Family Court fees. Unless I am mistaken, the Abbott government has no mandate to increase the cost of Family Court fees. Unless I am mistaken, the Abbott government has no mandate to increase the cost of Family Court fees. Unless I am mistaken, the Abbott government has no mandate to increase the cost of Family Court fees. Unless I am mistaken, the Abbott government has no mandate to increase the cost of Family Court fees.

Secondly, the Abbott government has no parliamentary support to increase the Family Law Court fees. In fact, the Abbott government is effectively going against the wishes of the Australian parliament and the people of Australia by increasing the court fees through regulation—again. As we know, the government has already tried to increase Family Law
Court fees and had this regulation disallowed by the Senate. Now, despite this, the Abbott government has ignored the will of the Senate by introducing new regulations which are effectively a complete copy of the original regulations. Perhaps the government is going for a trifecta; who knows? But again it is up to the crossbench, the Labor Party and the Greens to keep the government to account. Through our disallowance motion today we will be able to ensure the government does not implement another nasty budget measure which will only hurt disadvantaged and vulnerable Australians.

Thirdly, and finally, the Abbott government has no right nor need to increase Family Law Court fees. If anything, our court system needs support—not fee increase hikes. The court system should be a place where the people can resolve issues in a fair, accessible and transparent manner. Increasing Family Law Court fees will only hinder access to fair and reasonable issue resolution outcomes for Australians.

It is for all of these reasons that I am co-sponsoring this motion. I call on all of my Senate colleagues to assist me in rolling back these Family Law Court fee increases.

Senator FIERRAVANTI-WELLS (New South Wales—Parliamentary Secretary to the Attorney-General and Parliamentary Secretary to the Minister for Social Services) (16:46): I rise to oppose the disallowance motion relating to the Family Law (Fees) Amendment (2015 Measures No. 1) Regulation 2015. In June the Senate voted to disallow family law fee changes which were intended to commence on 1 July. In doing so, those senators who supported the disallowance acted with gross irresponsibility, and if they do so again today they will be compounding their irresponsibility. The Family Court and the Federal Circuit Court are projecting substantial losses over the forward estimates. The package of measures is necessary to ensure the courts are sustainable by the fourth year of the forward estimates.

The government's budget measure was part of a package to ensure that the courts are in a strong financial position to carry out their fundamental role as the judicial arm of the Commonwealth while ensuring the efficient and effective delivery of their services. The government has considered in their totality all the issues related to court funding. The budget includes measures critical to ensuring that the courts are placed on a sustainable funding footing and meet the streamlining savings election commitment, Senator Lazarus. This includes injecting into the courts an additional $22.5 million over four years to enhance their capacity to provide services in areas such as family law, with $16.6 million to be injected into the Family Court and Federal Circuit Court and $5.9 million into the Federal Court. Injection into each court will remain as per the budget papers for 2015-16, but in the following years it will be adjusted as necessary when the courts become a single administrative body from 1 July 2016.

It also includes $30 million in funding for critical maintenance works for court buildings. This is very important. It also includes merging the back office functions of the Federal Court, the Family Court and the Federal Circuit Court to ensure the efficient and effective delivery of shared services. Implementation will commence early in 2015-16 to facilitate formal commencement of the merged entity on 1 July 2016, and it will also include changes to court fees to commence in July 2014.

It is the last of these that Labor, the Greens and the crossbench are seeking to disallow. Of course, without the fee changes there will be almost nothing left for injection back into the courts. This action threatens to undermine the revenue base that is critical to putting the
federal courts on a sustainable funding footing. The hypocrisy on the Labor side is amazing. When last in government, those opposite used substantial court fee increases to generate funds for the civil justice system, but with a much lower proportion—

Honourable senators interjecting—

The ACTING DEPUTY PRESIDENT: Order, senators.

Senator FIERRAVANTI-WELLS: But with a much lower portion of the additional revenue being returned to the courts. Can I repeat that, Senator Collins, just in case you did not quite hear it the first time. That is: when you were last in government, you used substantial court fee increases—

Senator Jacinta Collins interjecting—

The ACTING DEPUTY PRESIDENT: Senator Collins, the senator has the right to be heard in silence.

Senator FIERRAVANTI-WELLS: I did sit there and listen to you in silence, Senator Collins, much against my better judgement. But perhaps I can repeat what I said for you. It is pretty simple: when you were in government you used substantial court fee increases to generate funds for the civil justice system, but with a much lower portion of the additional revenue being returned to the courts. In the 2012-13 budget you increased Federal Court fees from 1 January 2013 to raise a total of $102.4 million over four years, but only $30 million of that additional funding was provided to the federal courts. In the 2012-13 budget you changed court fees from 1 January 2013 to provide additional funding of $30 million over four years to the federal courts. The changes raised a total of $102.4 million over the forward estimates, of which approximately $4.2 million was also allocated to the federal courts for implementation and administration of the fees. Overall, fees in the Federal Court were raised by approximately 29 per cent, on average. As a result, public authorities such as the Australian Taxation Office and publicly-listed companies shifted matters from the Federal Court to the state courts. Consequently, in the 2013 calendar year the Federal Court collected $24.6 million in revenue but in the 2014 calendar year it collected $12.8 million in revenue. Its revenue decreased by 48 per cent.

This is the legacy that those opposite left us. They raised fees, including almost trebling the concessional fees, and they did nothing towards returning the courts to sustainability. In a typical Labor-Greens comedy of errors, the previous government hiked the fees of the Federal Court so much that its business was halved and its fee revenue smashed. The additional fee revenue from the government's family law fee changes is a critical element of the package of court reform measures announced by the government in the 2015-16 budget, including the additional $22.5 million to be injected into the federal courts to enhance their capacity to provide services in key areas such as family law.

Other measures, including merging the court's back office functions, while important, generate insufficient savings to address the court's deficits and to meet the election commitment to streamline savings without accompanying fee increases. Given the structural deficits currently facing the family courts, the only alternatives would be to cut front-line court services, close registries and not replace judges—which would severely undermine access to justice for the Australian community. Dishonestly, the Labor Party and the Greens have characterised these fee increases as impacting on the vulnerable—who, they say, will not
be able to afford the new fees. However, fee exemptions, deferrals and waivers will still apply to vulnerable litigants as before. This includes litigants who have been granted legal aid, who are holders of concessional cards, who would be subject to financial hardship by paying a fee, or who have an urgent need to file a document. Can I stress that: the government has left untouched the concessional fee arrangements. I repeat—especially for Senator Lazarus, Senator Wright and Senator Collins: the government has left untouched the concessional fee arrangements. I say that for a third time, in case you did not get it: this means that those facing financial hardship or other difficult circumstances should not be affected by these changes, and those opposite should not be peddling misrepresentations in relation to this—

Opposition senators interjecting—

Senator FIERRAVANTI-WELLS: You should not be peddling misrepresentations. It is appropriate to seek from court users a greater contribution towards the cost of running the courts, consistent with recommendations of the 2014 Productivity Commission report into access to justice arrangements. However, and I repeat: reduced fees for divorce applications will remain unchanged for vulnerable applicants in both the Family Court and the federal circuit court. Further, registrars have substantial discretion in granting reduced fees and deferred payment arrangements, even where litigants do not qualify for the concessional fees. It is only the actions of this Senate, in voting to disallow the fee regulations, that put these arrangements at risk.

Senator Lazarus interjecting—

Senator FIERRAVANTI-WELLS: Senator Lazarus, what part of that very simple comment did you not understand? Not only have we left untouched the concessional fee arrangements; registrars also have substantial discretion in granting reduced fees and deferred payment arrangements, even where you have litigants who do not qualify for the concessional fees. Not only that but, if the additional funding is not available, the government will have no choice but to consider the other, much less palatable methods of addressing the structural deficit. The Senate, in voting for disallowance, is in effect asking the government to consider registry closures and service reductions. This is a matter for those opposite but no-one will be left under any illusion about whose responsibility it will be.

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

The Senate divided. [17:02]

(The President—Senator Parry)

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

AYES

Bilyk, CL
Bullock, J.W.
Collins, JMA
Day, R.J.
Gallacher, AM
Hanson-Young, SC
Lambie, J

Brown, CL
Cameron, DN
Dastyari, S
Di Natale, R
Gallagher, KR
Ketter, CR
Lazarus, GP
Senator O'Sullivan did not vote, to compensate for the vacancy caused by the resignation of Senator Milne.

Question agreed to.

FIRST SPEECH

The PRESIDENT (17:05): Order! Before I call Senator Lindgren, I remind honourable senators that this is her first speech; therefore, I ask that the usual courtesies be extended to her.

Senator LINDGREN (Queensland) (17:05): I pay my respects to the elders past, present and emerging of the Ngambri and Ngunnawal peoples, upon whose land we meet today. As a senator for Queensland in this chamber, the states' house, I recognise the elders of all the
Indigenous clans of Queensland. In particular, I acknowledge the Mununjali and Jagera clans, with whom I identify and have a family connection. The Mununjali are part of the Yugambeh language group that encompasses the area from south of the Logan River to the Tweed River, while the Jagera area covers south of the Brisbane River to the foot of the Toowoomba Range and then south towards Warwick.

It is my dream that in the years to come many Aboriginal and Torres Strait Islander people will follow the same path as others before me have done and that one day this path will be seen as quite normal and even expected for my people. Many here have kindly spoken the name of Senator Neville Bonner and of his contribution to the Senate and to Australia. When I speak his name, I use the term 'Uncle'. Notwithstanding his historic contribution here as the first Indigenous Australian to become a member of the parliament of Australia, I can speak of a man I knew as my grandfather's respected brother.

One of my earliest memories of Uncle Neville is of him campaigning for re-election using a loud hailer, a far cry from the sophisticated campaigning of today. Uncle Neville in his first speech said, 'First and foremost I am an Australian citizen.' This too is how I see myself in the Senate. Uncle Neville sat in the old Parliament House, and I now sit in the new Parliament House, which to me signifies that he was a person for his time, so now I am for mine. I am not here to continue his work, because that has been done by others since he left the Senate in 1983. I am here to do the work of today.

There are many I would like to thank today who have been pivotal in my journey to the Senate. First, I would like to thank my husband, Peter Anderson-Barr. Peter has served our country as both a current sworn police officer and a warrant officer in the Australian Army Reserve. Peter, you are my best friend and my biggest supporter.

I would also like to thank my parents, John and Gloria Lindgren. Mum and Dad worked hard to ensure my sister and I received a sound education, and to quote them, 'Do one better than we did!' Mum and Dad understood the value of education because they did not complete school. Between them, they have only completed 14 years of schooling, but they worked hard to buy their own home and to ensure we never missed out on the important things. I could not have asked for better, more supportive parents.

To my sister, Kerry-Lee, and her husband, Bruce: thanks for keeping me grounded and ensuring I remember my roots. I would also like to acknowledge the role of my grandmother Beatrice Lindgren, who passed away eight years ago. I carry her legacy of strength and kindness. I would also like to thank my friends Stephen and Tanya Smith and their family. You believed in me and encouraged me to pursue my goals—how truly humbling.

Importantly, I would like to thank the Liberal National Party, its executive members and its grassroots members. They include the president, Bruce McIver, former senator Ron Boswell, Jon Janetzki, Tamara Foong, Justin Lynch, David Hutchinson, Tony Watt, Matt Constance, Imelda Sporaljevic, my Toowoomba friends, Jonathon Krause MP, Scott Buchholz MP, Greg Birkbeck, Liz and Barry Dittman, Juanita Gibson, David and Gloria Brennan, Ian Rickuss MP, Ann Rickuss and the women of the LNP. Without your enduring support, my journey might not have brought me to this occasion, in this place, at this time.

I grew up in the suburb of Inala, a low socioeconomic suburb on the outskirts of Brisbane. It was first formed in 1946, by a group of returned servicemen who wanted affordable
housing. Although the co-op did not proceed with the building of houses, the state government did, and Inala came into being. It was a suburb where returned servicemen lived alongside Indigenous Australians who had moved off the missions into town after now-discredited restrictions were removed, to where displaced persons and assisted migrants moved after leaving the migrant hostels. It is still a place where refugees and migrants find community. Many have commented on the suburb in a negative light, yet it has produced many professionals in the legal and medical field, two state premiers, a major general and now a senator.

Growing up in Inala was simply magical. I enjoyed going to school with students who were first-generation Australians. I loved that the last names of these migrant families sounded exotic and that every family was different. The fact that I was one of a handful of Indigenous students did not matter. We were all different in our own ways, yet those differences seemed normal. Most importantly of all, it was these differences that convinced me that there was a whole big world out there to be explored. We are, all of us, scripted by our past, so growing up in Inala has forged the Jo you see standing before you, a person who is tolerant, fair, patient and considerate. It is for this reason that I became an educator.

So how does a girl from a working-class family and suburb go on to become a senator? Quite simply, with a sound education. Education is the key to unlocking individual potential and success. My parents understood this and they instilled this as part of our family values. Study hard, work hard and life will reveal its rewards. My school experience was not always a pleasant one, so, when I became a high school teacher in 1991, I vowed I would never embrace the model of teacher who would make students scared to come to class. Gone are the days of corporal punishment in schools, where the standard response to someone not understanding the curriculum was 'six of the best'. Despite this kind of tough love, I had some wonderful teachers.

One such teacher was a Catholic sister from Brigidine College called Sister Patricia Whitby. She inspired us and acknowledged that the 'spunk', as she called it, was worth embracing and not for holding back. Sister Patricia saw a spark in the girls of Year 8 Gold and never discouraged our voice. She embodied Brigidine College's motto of Fortiter et Suaviter, Strength with Kindness. This motto underpins the type of person I am. As a teacher, I strove to inspire students not to settle for mediocrity but to challenge people's perceptions of them, to show strength with kindness. My classroom pedagogy fostered a culture of respect—respect for learning, respect for others and respect for themselves.

As an educator with 25 years experience, if I have learned anything then it is this: one size does not fit all. This aphorism applies to most things in life, including politics, and as a politician I know the old wisdom that some of the decisions I will participate in will not please everyone. For the most part, know that any decision in which I partake will be guided by what my party and I believe is in the best interests of Australia according to our values and principles. I will do my best, I will remain true to my word and I will dedicate my energies to what my party and I hold dearly. I am here to contribute to Australia reaching its full potential and staying on the path of being the best place in the world to live. Each of us in this place owes this to our wide brown land of Australia and to all who call it home.

One of the greatest motivations for schools to succeed is for them to ensure that, at the end of any schooling experience, hope is ignited—hope for employment and hope for their
graduates to achieve their goals. But education is not a stand-alone issue; it is intrinsically linked to employment and development. Education appears pointless if there are no jobs for school leavers. One of the main purposes of education is to prepare youth for their place in society, and I believe that place is enriched by meaningful employment. Additionally, education must be relevant to the needs of employers. This is not to say that there is no room for social learning, but ultimately education must be geared for when someone leaves school, as the achievement of many important dreams and hopes will depend on their earning capabilities.

Having been a classroom teacher for 25 years in some very disadvantaged areas, I speak from firsthand experience when I say that I have seen students simply not care about education because they feel they have limited prospects. They assign their futures to welfare and an endless list of work programs or the acceptance of low-paying jobs without the hope of advancement. Governments and business are the ones capable of placing an abundant future in front of them, while education prepares them for that future.

Equally, I have seen those students who have been raised on a sense of entitlement, thereby denying them the crucial resilience that robs them of what many of us value—namely, starting at the bottom and working our way to the top. I have seen awards given out for merely attending school, and every child gets a prize just because 'you participated'. If we transferred this attitude to employment, we would see bonuses given out for merely turning up to work. This thinking needs to stop. How often do we hear the catch phrase 'a fair day's pay for a fair day's work', when perhaps we should be saying 'a fair day's work for a fair day's pay'?

What is the point of a sound education? Education is not just for one group but for all Australians. Education must not abandon those who fall behind, and education means inclusion. Inclusion will bring social acceptance and social learning.

My transition from education to politics was a slow transition. I was not one who aspired to be a career politician. Becoming actively involved in politics did not really happen until I was 36 years of age. One of the most important groups of people who assisted me was the LNP grassroots members who embrace many of the same values as me. When my friends first heard I was interested in the Senate, they quietly went about contacting their friends in the party to gain support. In fact, this Senate journey started on the day of the recent NSW election, when a group of us travelled to Byron Bay to assist a National Party candidate. At the end of the day over a wine and pizza, I was encouraged to consider the Senate.

I can proudly say I was encouraged by grassroots members, supported by grassroots members and voted for by grassroots members of the LNP. Mine is the party where anyone who is good enough can succeed. With humility, I declare that my preselection as an LNP senator was completely transparent, fair and very competitive. You only have to read the media reports prior to preselection to confirm this.

As a newly sworn senator, I feel deep humility and privilege to be the 574th senator. I find it sobering to reflect on Machiavelli's The Prince from the 16th century: 'It is not titles that honour us, but we that honour titles'—or perhaps the pithier Russian proverb 'rooster today, feather duster tomorrow'. There will be no crowing from me.
One of life's enduring lessons is this: to surround yourself with those on the same mission as you. The ugly alternative is not to remain true to one's self. From my campaign team to the coalition team here in Canberra, I will remain resilient and steadfast by surrounding myself with those on the missions that align with mine.

Allied with my Aboriginal background, I also identify with other strong-willed warrior cultures. I have Irish, Scottish and Swedish heritage too, and all have been known to enjoy a good stoush. As I have this heritage and grew up in the straightforward suburb of Inala, you now have a girl in the Senate who can hold her own. More than one person has learnt that, while you can take the girl out of Inala, you can't take Inala out of the girl.

This warrior spirit is reflected in my immediate and extended families and even in my own service in the Australian Army Reserve. My family members have served in the armed forces from World War One up until Afghanistan. This included some great-uncles who, despite Curtin banning Indigenous enlistment in World War Two, still managed to enlist and fight. They have been the unnoticed soldier, sailor or airman who simply did their job without seeking glory. One of my extended family members embodies this service-to-country ethos, and this person is my Uncle Les Lindgren. Uncle Les and all his five sons have served in the Australian Army, with four of the five sons serving in combat zones in our more recent deployments. This typifies the Anzac spirit that we honour.

It is said that it takes a village to raise a child, but it takes a whole family to sustain a warrior. Therefore let's not forget the spouses and family members of our Defence personnel. Without them holding the fort, our service men and women would not be able to serve their country so selflessly.

What then is our duty to those who are prepared to put themselves in harm's way and sometimes make the ultimate sacrifice for us and because of us? The answer lies not in feathering our own privileged nests or building another wagon for the gravy train. We are called to honour our serving men and women by protecting all that they hold dear at home, while they defend all that we hold dear: freedom, democracy and the rule of law—our whole way of life as a people. We need to keep our side of the bargain.

This issue drives my passion as a senator for ensuring that our Defence Force is well resourced and well managed and that families are supported and they are well looked after during and following their gallant service to this nation. I scorn any cynical use of this fundamental issue for a political football simply to get one's media profile elevated or for more 'likes' on a Facebook page. It is personal for this girl from Inala. Joining the armed services was one of the proudest days of my life. Loyalty based on respect is a most important personal ethic that has guided me throughout my career.

My extended family includes police officers, firefighters, ambulance officers, teachers and nurses and those who serve the community without thanks and sometimes under direct attack. We must not forget the men and women who have devoted their lives to the service of others. It is these men and women who are often so easily overlooked or ignored.

Mr President and honourable senators, how will our children's children read the history of decisions that we will carry in this chamber at this time in our national journey? Will they cringe then as we now cringe at the wrong treatment of sections of our society in the past? Will we do and say things now with the best intentions, only to be found later to be simply
wrong? Better to be found wrong for the right reasons than piously right for the wrong reasons.

There are two challenging moral questions before us and our Australian brothers and sisters even today. The first challenge is constitutional recognition of Indigenous Australians and ensuring that every Australian will be overwhelmingly for it. Why do some here appear to fear the proposed constitutional recognition of Indigenous Australians?

In 1895 South Australia made laws which said that all adults could vote, including all women and therefore all Indigenous women. They were right then and they are right now. The Commonwealth Electoral Act 1949 gave Aboriginal persons the right to vote in federal elections if they were able to vote in their state elections or if they had served in the Defence Force. It was not until the Commonwealth electoral amendment act 1983 that voting became compulsory for Aboriginal persons as it was for other Australians.

In the Australian referendum of 27 May 1967, voters were asked to approve, together, changes to both of the provisions in which Aboriginal people were mentioned in the Constitution. The amendments were overwhelmingly endorsed, winning 90.77 per cent of votes cast and being carried in all six states.

One wrong result of the two right constitutional amendments in 1967 was that Indigenous Australians ceased to be mentioned at all in our national Constitution. Surely this is a wrong that needs to be righted. And so to today's right proposal that forms a national conversation. It is not to disadvantage any person, yet it will serve two purposes: first, to recognise Indigenous occupation of this land prior to the modern nation of Australia; and, second, to ensure that Indigenous Australian history does not disappear into the rich blend of cultures that have arrived in the past 227 years.

So what did Peter Dodds-McCormick mean by 'we' when he penned our National Anthem 140 years ago:

For those who've come across the seas
We've boundless plains to share.

Perhaps he is now wrong for the right reasons. Every nation has its own story, and Australia's Indigenous people are a part of our nation's story. We have been part of the development of this nation. We have been there at every step. We, like all Australians, are custodians of our ancient culture and history. We have a duty to see history live. It is the right thing to do. Aboriginal people gift the modern nation of Australia 80,000 years of history in return for a few lines in the Constitution that they long to call 'our' Constitution. Being the oldest continuing culture in human history, it is right for it finally to become a formal part of our Australian collective history.

My home state of Queensland, along with other states including New South Wales and Victoria, already has Indigenous recognition. In Queensland that occurred in 2001 with little fanfare, and it did not create a separate class of citizens, nor did anyone lose anything or gain by it.

Mr President and honourable senators, the second challenge presented to this place is the gender imbalance in politics. Yes, women are under-represented in politics, and yes, we need to analyse and research the trends and issues as to why women are not in politics, but at what point do we need to stop talking and start acting?
For me as a newly appointed female senator, the action starts now. It is my obligation to ensure that I encourage, cultivate and engage good women for politics. It is about neither social justice nor gender but about ensuring women have voices in political decisions. This difficulty with closing the gender gap in politics is the very point that should galvanise women to pursue the political arena. How many women in this room said when they were children that they wanted to be Prime Minister? Just asking a woman if she would consider a career in politics could be the first simple step.

In Queensland, our Liberal National Party women's branches support, nurture and train women who aspire to be in political office. The task of securing equal representation in politics is no doubt a difficult one, but one worth pursuing if we are to have a diverse and dynamic parliament worthy of this great nation of ours.

I conclude now, Mr President, noting that, as it is for you, so it is for me with whatever time I am privileged to contribute as a senator in this august chamber. I intend to make every moment of it count. I am deeply invested in this country which my custodial forebears nurtured for at least 80,000 years. I am quite overwhelmed by the sense of the history stretching behind you and me in this place and by the humble pride in being privileged to be part of shaping the future that lies uncharted before us.

It is in this chamber in the 'eternal now' that we choose to make a difference for all Australians. Though we might choose different paths to Advance Australia Fair, some right, some wrong, I believe that every single one of us seeks that bigger, better, greater Australia.

**BILLS**

**Corporations Amendment (Financial Advice) Bill 2014**

*Report of Legislation Committee*

**Senator O'SULLIVAN** (Queensland—Nationals Whip in the Senate) (17:31): At the request of the Chair of the Senate Economics Legislation Committee, Senator Edwards, I present the report of the Senate Economics Legislation Committee on the Corporations Amendment (Financial Advice) Bill 2014, together with the *Hansard* record of proceedings and documents presented to the committee.

Ordered that the report be printed.

**COMMITTEES**

*Report*

**Senator O'SULLIVAN** (Queensland—Nationals Whip in the Senate) (17:31): Pursuant to order and at the request of the chairs of the respective committees, I present reports from committees in respect of the examination of the provisions of the Fair Work (Registered Organisations) Amendment Bill 2014 [No.2] and the provisions of the Social Services Legislation Amendment (Youth Employment and Other Measures) Bill 2015, together with the *Hansard* record of proceedings and documents presented to the committee.

Ordered that the reports be printed.
BILLS

Regulator of Medicinal Cannabis Bill 2014

Report of Legislation Committee

Senator O'SULLIVAN (Queensland—Nationals Whip in the Senate) (17:31): At the request of the Chair of the Legal and Constitutional Affairs Legislation Committee, Senator Macdonald, I present the report of the Legal and Constitutional Affairs Legislation Committee on the Regulator of Medicinal Cannabis Bill 2014, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Medical Research Future Fund Bill 2015

Medical Research Future Fund (Consequential Amendments) Bill 2015

Second Reading

Debate resumed on the motion:

That these bills be now read a second time.

Senator BACK (Western Australia) (17:31): I continue my comments on the Medical Research Future Fund Bill 2015 and related bill. In the few minutes available to me I want to explain why the government does not accept the amendments to the bill as proposed by the opposition, because I am certainly hopeful that the opposition will support the bill.

The first is the fact that the amendments do not support the objective of the bill to establish a fund to provide complementary funding in addition to existing levels of funding through the NHMRC. Such an amendment would limit and reduce the amount of funding available to go into the capital fund so that these proposed changes would constrain funding for medical research infrastructure and the commercialisation of medical research innovations. I do not think any of us really want to see that but that is the objective of that amendment and I speak against it.

The second reason not to support the amendments as put up by the opposition is that they would remove the ability for the government to enter into agreements with the states and territories—who would be critically important in the medical research space—or with corporate Commonwealth entities or, indeed, with corporations. At the commencement of my contribution this afternoon—Acting Deputy President Williams, unfortunately for me you were not in the chair, at that time, to listen—I mentioned some of the most important people: Nobel prize winners from Australia in the fields of medical research. In fact, the vast majority of Nobel prizes won by Australians have been in the medical and related spaces. In the Commonwealth entities corporate sector, I mentioned the Commonwealth Serum Laboratories as just one example.

Another amendment proposed by the opposition should not be supported, because it would burden the CEO of the NHMRC with significant additional administrative responsibilities and provide that person with additional powers that would be inconsistent with the intent of building proper checks and balances into legislation. Importantly, as I will state in a moment, there is a critically important role for the NHMRC chief executive officer and that is to chair the advisory board, so that person will have the most critically important space.
Finally, the other reason the government does not support the opposition amendments is that the opposition amendments call for the continuation of the Health and Hospitals Fund and the billion dollars that sits in it. With the MRFF coming into existence, there is no further need for the Health and Hospitals Fund. Surely everybody's interests would be best met by that billion dollars going to start the development of that capital fund, which will build up to $20 billion and will become the capital base from which interest, over time, will fund the necessary research.

I made mention of the fact that there will be an advisory board, skills based, including people who collectively possess expertise and experience in medical research, policy relating to health systems, management of health services, medical innovation, financing and investment, and commercialisation. It will leverage from the experience that exists already in the NHMRC.

One of the areas that I hope will find its way into the execution of the legislation, once it is passed, is that whilst it is the case that it is directed towards medical research one must never lose sight of the fact that an enormous amount of research that did not have its origins in the medical space has found its way. So much of the work that has come out of the space race—NASA and those others around the world—has found its way into medical research. I am particularly hopeful that whilst it is a medical research fund we will not exclude those areas in related disciplines that may well have a pathway into medical research.

What is important to conclude here is who will receive payments from the interest that accrues from the capital fund. They will be medical research institutes, universities and corporate Commonwealth entities and corporations. They can all receive grants, not loans but grants, for medical research and innovation under the legislation as can the states and territories; again, this is a reason for us not being able to support one of the opposition's amendments. I will say again that the NHMRC will play a vital role in the funding arrangements through the CEO's membership of the board, the requirement for the board to take into account the NHMRC's national strategy for medical research and public-health research.

So we have got a scenario now with the states and territories involved through the COAG process with government instrumentalities, corporations, universities and the CSIRO if it is relevant to them. But of course the fund will not be able to fund health services or primary health care; they are dealt with under 'others'. I mentioned earlier the role of the Future Fund—the fund that is exceeding all other funds in terms of the success of the investments—in overseeing this complete scenario and removing the need for a whole new bureaucracy to administer this. I do recommend this to the Senate. I hope it passes unanimously.

**Senator SINODINOS** (New South Wales) (17:38): I rise to make a contribution to the debate on the Medical Research Future Fund Bill 2015 and related bill. Let me say at the outset, I think this is a landmark coalition initiative. I was very excited when this was first floated after we came to government and I was very keen that it be supported. It is one of the biggest sovereign endowment funds of its kind in the world. There are some big ones like the Wellcome Trust in the UK but this is a very big one.

The reason I particularly support the fund is because when I look at health and medical research in Australia, it is one of our competitive strengths as a nation. When I think about the great institutions in that space in Melbourne and in Sydney, I think of the Garvan,
example, which has a fantastic name internationally. If you think of some of the institutes, you think of some of the various cancer research centres in Sydney and of the Peter MacCallum Centre in Melbourne. The list goes on and on. If you go to Melbourne there is now a precinct of the city which is effectively a health and medical research hub. It is very important to see because health and medical research hubs are where we bring together world-class research and world-class technologists working on cutting edge health problems.

The point of this particular fund is to create a capital amount of about $20 billion by the early 2020s and the net interest from that as determined by the Future Fund will be used to fund health and medical research. It will be on top of existing funding under the National Health and Medical Research Council so it is not substituting funding. It is additional funding and that is why it is a very important initiative—it will turbocharge our role in this space. As I said, it is one of the biggest sovereign endowment funds of its kind in the world.

The reason that this will be important to Australia is because we have 23,000 research professionals and the medicines industry that stands behind that employs nearly twice as many Australians, so it is a world-class industry and we can have a world-class edge in this sector. It will provide funding for Australian scientists and medical researchers to become the best in the world.

This aspiration to be the best in the world is very important. We often hear about how we must benchmark ourselves against others overseas, against the best in the world. But what we are saying here is we want to become the benchmark. We want to become the best in the world by providing the funding that will turbocharge this particular sector.

I recently had a conversation with the new vice-chancellor of the ANU, Brian Schmidt. He had been on a business mission to Europe as part of the Australia-German advisory council set up as a result of the visit by Chancellor Angela Merkel to Australia in the context of the G20. That council is chaired ably on our side by my good friend and colleague the Minister for Finance, Senator Cormann. What struck Brian Schmidt when he was in Germany was the fact that the German aspiration was to identify four or five areas of research and to say, 'We are going to be the best in the world. We are going to be the pacesetter, the pacemaker in those sectors.' He said that a country like Germany has more resources than us to do this. We cannot hope to match the scale of the German investments in some of these identified areas, these four or five strengths of Germany, but here we have made a big bet on a sector where we already have runs on the board.

If we go back and think of CSL, originally Commonwealth Serum Laboratories; if we think of ResMed with its inventions around sleep apnoea; if we think of Cochlear, the bionic ear then we have a track record of doing health research well in a leading-edge way. This Medical Research Future Fund Bill will establish the Medical Research Future Fund and will provide over $400 million for distribution over the next four years, as I said, in addition to existing government funding for direct medical research.

Importantly, the Future Fund addresses some of the concerns which were identified in a major strategic review of health and medical research commissioned by the previous government and published in February 2013. That review, known as the McKeon review, led by Simon McKeon AO, a former chair of CSIRO, found that Australia needs a more strategic model to get the best health results from its research efforts. The McKeon review identified a particular need to create greater linkage between healthcare providers and research
organisations by 'fundamentally embedding research within health care delivery'. This was about greater industry and research collaboration.

One of the observations that Brian Schmidt made about his trip to Germany was the fact that industry and academic and research institute collaboration is of a very high standard, a very high level. For example, the chief scientist of BMW may also be a top professor at one of the local universities and hold dual appointments, the point being that in a physical way this collaboration reflected a capacity to take research results and translate them into practical outcomes, not just commercial outcomes. We are talking here about practical health outcomes.

The McKeon review made the case for new emphasis on priority driven research to help bridge some of the gaps between research excellence and the translation of research into applied technologies and practices, and that this required additional investment in translating the research findings into bedside applications. It requires more commercialisation and stronger partnerships between the researchers and the health practitioners, including hospitals and GPs. This fund will support investment across the whole research spectrum, from laboratory research—in other words, fundamental and basic research—through clinical trials to the commercialisation of new drugs or devices and the translation of new techniques or protocols into clinical practice and public health improvements.

In evidence before the legislation committee that looked at this particular legislation, CSL made the point that the fund was addressing Australia's ability to commercialise our intellectual property. They said: Too often it is either not translated from an idea into a product or goes offshore for development at a very early stage and Australians miss out on the real economic payback. And the employment and multiplier effects that come from manufacturing.

We are talking here about advanced manufacturing. They said: To help address this, we would like to see the (future fund) have a strong and strategic focus on Translational Research.

In their submission, they talked of seeing 'at least 20 per cent of disbursements go towards' this strong and strategic focus on translational research. They went on to say: It is important to take a proportion of appropriate novel ideas to the point where there is the potential for commercial interest. Where the technical concept is proven, but commercial viability is uncertain and commercial risks remain. Translational research is the leap from fundamental science to its practical application. From an idea to a candidate product. From the lab to a Proof of Concept clinical trial. Intellectual property around a project at the pre-translational stage is far less valuable than that same intellectual property at the post-translational stage.

CSL go on to say: We believe that this critical nexus between academia and commercialisation is underfunded in Australia and this impedes the overall productivity of the medical research sector.

New targeted funding from the MRFF could help recruit substantial, complementary research funding from the commercial sector as well as increasing the pool of sound research projects that firms like CSL can take forward to the later stages of development.

How often have we heard, here in Australia, about good ideas having to go offshore in order to be funded. I have heard this many times when I have done work in the commercial sectors
in Sydney and Melbourne. This future fund gives us a capacity to do things which we could only have dreamt of doing some years back.

It has a very strong accountability framework, and I just want to quickly canvas elements of that framework. There is an Australian Medical Research Advisory Board to determine the strategy around medical research and innovation every five years and to determine our medical research and innovation priorities every two years. So we identify a strategy and then we prioritise elements of that strategy and then the Minister for Health and the cabinet, through the budget process, make the program level funding decisions based on the best advice provided and the strategy and priorities set by the advisory board. Payments are then made into the Medical Research Future Fund special account and from there they will go either to a Medical Research Future Fund health special account, under the control of the National Health and Medical Research Council and other expert bodies to manage distribution, or this special account may involve disbursements to the Council of Australian Governments' Reform Fund, which will disperse moneys to states and territories for payments—for example, to hospitals that are participating in appropriate research projects. In the case of the Medical Research Future Fund health special account, medical research institutes like the ones I mentioned before—the universities, corporations including charities and not-for-profits, as well as corporate Commonwealth entities like CSIRO—will have a capacity to obtain funding. So, as you can see, the funding is being spread around. This is not a situation where we will be saying that only one set of entities is able to be funded. There will be a broad church when it comes to the funding.

The Medical Research Future Fund will be managed by the Future Fund Board of Guardians, which has a proven track record of managing investment portfolios on behalf of the government and maximising returns over the long term. It has had a remarkable record with the Future Fund since it was established of maximising returns to the Commonwealth, and the bill requires that the Treasurer and the finance minister issue directions setting out the government's expectations as to how the funds will be managed and invested by the Future Fund Board of Guardians, including setting a benchmark return for earnings. The Future Fund Board of Guardians will have responsibility for preserving the capital of the fund in perpetuity. So this is not about raiding the biscuit tin—none of that. The capital will be preserved in perpetuity. What we are doing is investing the capital and then using the best expertise available to the Commonwealth through the Future Fund to maximise that return. That net interest return, which will be a mixture of investing in cash, in equities, in bonds and so on, will provide a capacity to maximise the return so that we will be effectively doubling the investment in health and medical research when the Medical Research Future Fund is up and running.

The Medical Research Future Fund will be a new secure revenue stream for medical research and innovation supporting a sustainable health system into the future. This is important. This is about continuity. We had a debate the other day about shipbuilding in South Australia and we talked about the virtues of a continuous build. It is a very important concept. Here we have this concept of providing certainty to health and medical researchers about the amount of funds that will be available over time, and innovations in health and medical research will play an important role in increasing the efficiency of health services and improving health outcomes. It will not be just about new health products and services, it will
also be an investment in more efficient provision of health services. This will help to achieve
even greater breakthroughs in years to come and improve the health and wellbeing of all
Australians, and strengthen our standing as a global leader in medical research and give us the
strongest benefit from new discoveries and improved healthcare practices.

I think it is very important to put in context some of the debates we have in this country
about what innovation means. Innovation fundamentally means building an ecosystem. The
framework in this bill builds an ecosystem from go to whoa, from basic research, through the
practical health outcomes, underpinned by a strong, secure source of funding from the
Commonwealth.

I will conclude on the following note. There have been some suggestions for further
amendments to the bill. All I will say in that regard is that we must guard against excessive
red tape. I went through the governance and accountability mechanisms. They are strong, they
are transparent, they are world's best practice. So I believe the bill as it stands provides the
best possible framework for turbocharging health and medical research in the years ahead. I
commend the bills to the chamber.

Senator REYNOLDS (Western Australia) (17:53): I rise to speak on the Medical
Research Future Fund Bill 2015 and related bill. I am proud to be a member of an Abbott
government that is so focused on ensuring that our best and brightest Australian medical
researchers remain at the forefront of developing treatments and creating cures that will
improve the lives of Australians and millions of people around the world. Innovative research
is a key driver of better health care and health service delivery in Australia and
internationally.

I come from Western Australia, a state that has always understood the need to be
competitive and productive, and to be competitive and productive you need to be innovative.
We have demonstrated that in so many ways—in mining, oil and gas and agriculture, and also
now in shipbuilding. On top of that we already have a highly innovative medical research
facility. We understand the need to keep driving innovation. This fund is an absolutely critical
component in that.

Health and medical research has an important role to play in identifying opportunities and
strategies to increase the efficiency of health services and ensure the sustainability of the
overall health system. That is why last year in the budget we committed to creating the $20
billion Medical Research Future Fund, the biggest sovereign endowment fund of its kind in
the world. It is truly innovative and truly world-beating.

The Australian government is establishing the fund as a dedicated investment vehicle to
fund medical research and medical innovation, and, importantly, this funding is in addition to
existing government funding for direct medical research. The new fund will help to ensure
Australia continues to advance world-leading medical research projects and attracts and
retains first-class researchers. Ultimately, the fund will deliver improved health and medical
outcomes for all Australians. The fund will also be a dedicated investment vehicle to provide
a sustainable and secure source of funding for medical research and innovation across all
sectors of medicine. Importantly, it will also provide the opportunity to fund research
strategically and address our national priorities in a very coordinated and cohesive way, which
will undoubtedly complement existing medical research and innovation funding that exists
today in our country.
The government is committed to boosting health and medical research and funding a medical and research innovation system, but, as we know, this does require a national approach. So, when looking to the future it cannot be just more of the same. We have to demonstrate greater value and return for the Australian people for their investment in this new future fund.

The fund will give particular impetus to medical research and innovation being translated into health and economic benefits. The fund will also complement the Medical Research Endowment Account operated by the government, and leverage the existing capabilities, including research peer review, grant management, and the provision of expert advice. The Future Fund Board of Guardians will be responsible for deciding how to invest the money in the fund in order to enhance the government's ability to make grants of financial assistance for medical research and innovation in a way that will most benefit the Australian people.

To ensure a high level of transparency in the decision-making process, and to provide for the effective disbursement of funds from the fund, the bill includes requirements for, firstly, an expert Australian Medical Research Advisory Board to ensure that spending from the fund is informed by a group of skilled leaders in the field of medical research, and it does so on the basis that it is provided by and the decisions are made by medical experts. Secondly, an Australian Medical Research and Innovation Strategy will be set independently by the board to prioritise Australian health needs. Thirdly, Australian Medical Research and Innovation Priorities will also be developed independently by the board to give certainty in the long term about the nature of investment activities to support the delivery of the national strategy. As we all know, certainty and continuity are so important in the field of research and development and innovation. Fourth, it will also include a requirement that decision-making mechanisms for the disbursement of funds must take into account the strategy and priorities worked out by the board and the experts.

Additionally, the health minister is to report every two years on medical research and innovation investment to ensure that it is truly accountable to the Australian people. Also, to further support the transparency requirements, it will be published online, consistent with Commonwealth reporting frameworks for grants. Further, the health minister will report to parliament every two years, advising the parliament, and through them the Australian people, how the grants of financial assistance for medical research and innovation were consistent with the priorities, as determined by the advisory board.

Once established, the fund will receive an initial contribution of $1 billion from the uncommitted balance of the Health and Hospitals Fund. Earnings from the fund's capital can be used into the future for health infrastructure and also for health purposes that are wider and more strategic than those allowed under the current HHF legislation. But the mechanisms will also help to bridge gaps in the existing system. They will ensure that medical research can make a greater difference to health outcomes.

The bills were amended by the government in the House of Representatives to ensure certainty and permanence around the government's policy approach for distributing the fund's earnings. Those amendments made it clear that the fund will have strong governance and expert leadership. It will support investment across the research spectrum from laboratory research to clinical trials, the commercialisation of new drugs or devices, and the translation of new techniques or protocols into clinical practice and public health improvements. These
mechanisms will help bridge the gap into the existing system. They will ensure that medical research can make a greater difference to health outcomes. The bills were also amended by the government in the House of Representatives to ensure certainty and permanence around the policy approach to distributing the fund earnings. Those amendments made it absolutely crystal clear that the fund will have strong governance and expert leadership and will be accountable and transparent to all Australians.

The independent advisory board will bring extensive expertise from across fields including medical research, medical innovation, health policy, finance and investment and commercialisation. Commercialisation is particularly important. It is something, again, that we are focusing on in the West: how we can take research and development and innovation and commercialise it into the businesses and into the jobs of the future. Having the CEO as a member will leverage the experience and expertise of the organisation at the board level. The advisory board will provide advice to the health minister every two years on key medical research and innovation priorities for expenditure on the disbursement of funds. Additionally, the health minister will be required to report to parliament every two years, advising how the grants of financial assistance have provided for medical research and innovation and are consistent with the board priorities. The transparency, the strong governance and the expert leadership of the fund are at the core of this fund's creation and have clearly been a strong theme throughout the drafting and amendment of these bills. Membership of the advisory board will be strictly skills based and will include professionals who collectively possess expertise and experience in medical research, policy relating to health systems, management of health services, medical innovation financing and, as I said, commercialisation.

It is really easy to see and to appreciate that this is truly a landmark coalition government initiative. It will be transformational not only for the 23,000-plus research professionals in Australia but also for the medicines industry in Australia, which stands behind them and is expected to employ at least double the current workforce into the future. It will truly provide funding for Australian scientists and medical researchers to become simply the best in the world. Some may be questioning why the creation of another fund is truly necessary. Innovation in health and medical research is absolutely a key driver of better health care and health service delivery. Health and medical research also has an important role to play in identifying opportunities and strategies to increase the efficiency of health services and ensure the sustainability of our health system in Australia, which I think all in this place would acknowledge is something that, as we have an ageing population and the cost of health keeps exponentially increasing, is vitally important. It is particularly wonderful that this fund will stimulate that innovation here in Australia rather than overseas. Probably the most important thing for all Australians is to make sure that patients get the best possible care we can provide and afford and to make sure the cost of that care is sustainable into the future. But if we are going to have a sustainable health system we cannot expect taxpayers to keep paying for things that are not effective and are effectively a waste of taxpayers' money. With a good bit of thought and innovation they could be done more effectively and therefore our health dollars and our research dollars could go a lot further. Finally the aim of this fund is to reduce future health expenses through medical research advancement and medical innovation.

It is for all of those reasons that this fund is being established under these bills. It is a dedicated investment vehicle to fund medical research and medical innovation in this country.
The fund will undoubtedly help ensure that Australia continues to advance and lead the world in medical research projects, in innovative thinking and in innovative health care. The fund is also critically important not only to support the 23,000-plus research professionals we currently have in Australia but also to attract new researchers and to give young Australians an opportunity in this field. That is very important. We want to train, attract and retain first-class researchers and, as I have said, deliver improved healthcare and medical outcomes for all Australians.

One aspect of the fund that I am particularly supportive of is that it is capital protected into the future, thus providing a secure revenue stream dedicated to funding medical research, which means that future governments will not be able to raid the fund for recurrent expenditure. The fund will support the sustainability of the health system into the future and enable vital research that may lead to the discovery of new medicines and new technologies for treatments and cures. Some may ask why it is necessary to establish another fund. But this fund is clearly very different and far more significant. In fact it is going to be the biggest fund of its kind in the world. This fund has specific purposes that are absolutely consistent with the government's investment in medical research and medical innovation. It has the capacity to transform how medical research is conducted by encouraging innovation, supporting research and development and supporting the commercialisation of great ideas. The use of a capital protected fund ensures that this funding for medical research and innovation is available well into the future, which provides much more certainty for researchers to be able to develop from R&D to innovation and commercialisation and through into the market than they currently have today.

Under this bill, and as announced in the 2015-16 budget, the fund was to commence on 1 August 2015, subject to the passage of the legislation. As the legislation is still going through the Senate, we are hoping it will be passed so that it can be implemented straight away. Delays in the commencement of this fund are impacting on the level of investments and earnings of the fund and are currently now reducing the amount of funding available for distribution to medical research and innovation next financial year.

It was also interesting to me to note that the fund is a capital preserved fund. Net earnings from the fund will be distributed annually and will support ongoing investment in health and medical research. The funding will be distributed to address the Australian medical research and innovation priorities which, as I have said, will be developed by the board. Currently the bill does not contemplate the inclusion of philanthropic funds into the fund, but there are still provisions in this bill such that if a future government wanted to do so it could.

The investment of funds collected from health expenditure savings through the fund will make a positive contribution to reducing net debt insofar as they comprise cash or debt or debt-like securities. However, investments in other asset classes such as equities are not included in the calculation of the debt, and the $1 billion transfer of the uncommitted balance of the Health and Hospitals Fund will not affect the net debt.

It is for all of those reasons that I commend these bills to the Senate.

**Senator McKenzie** (Victoria) (18:09): It gives me great pleasure to rise this evening to speak to the Medical Research Future Fund Bill 2015 and the Medical Research Future Fund (Consequential Amendments) Bill 2015. It was with great pride that I sat listening to a budget speech where we announced the fact that an Abbott government was going to make the
landmark decision to commit significant funds to one of our nation's most competitively advantageous sectors, that being biomedical research.

We like to play to our competitive advantages in this country. I do not want to get onto the cricket team or even the Diamonds of late. But we did go all right with the Wallabies this week, didn't we? So I think that as a nation we have to pull down, ruck hard and we will go all right. When it comes to biomedical research, we definitely do punch above our weight internationally. That is why this government has chosen to commit significant investment to ensure that what we have done great in the past we can continue to build on, not only to assist domestic citizens with increased access to practices, technologies, serums and the like that can assist in the health outcomes but to take that capacity to the world.

Our competitive advantage as a nation has always been our creativity, our ingenuity and our tenacity. We think outside the square because we have had to do so over a long period of time. When I think about innovations and inventions and the spaces where Australia has punched above its weight, Australians have made significant contributions on the world stage as a result of the creativity and ingenuity of our research bodies: the black box; spray-on skin, thanks to Fiona Wood; the electronic pacemaker from Sydney Women's Hospital; Google Maps; the medical application of penicillin by Florey, which saved hundreds of thousands of lives in World War II; the bionic ear, and we know the great story of Cochlear and Professor Clark; not to mention our winged keel, permaculture, the ultrasound scanner et cetera. We have made a significant contribution to the world through our research. When you go through our top 20 contributions as a nation, the vast majority are in the medical research sector. That is why our government have chosen to play to our strengths, to get out on the field, to do what we do best and to invest where we know we will get a great return.

It is not just a financial return. The only return for those of us who come and serve in this place is to ensure that the lives of Australians are better after we leave than when we arrive. That is why a fund of this magnitude, focused in the way that it is, will make such a significant contribution to the health outcomes for Australians over a long period of time. I am very proud to be part of a government that, under projections, by 2019-20 will see $20 billion being invested and the fund disbursing funds to our researchers for creative projects. This will have benefits not only for Australia and Australian researchers and Australian citizens but also for our universities, our hospitals and our private institutions that will be able to access this type of money—money unheard of at the moment.

Our researchers go through a very competitive process, and there are more wonderful ideas out there and capacity in our research bodies then we have dollars to spend. With something like this not only can we harness that energy and creativity and focus it into projects that will deliver great benefit in terms of health outcomes but we have also got to think about the commercialisation opportunities and how transformational that will be when we look at advanced manufacturing opportunities. The additional industries that will be spun off this research over time will be absolutely fantastic.

Four hundred million dollars will be committed over four years, which is a significant injection. This is in addition to the significant investment the Australian government makes into medical research, because we are a government that is actually interested in investing in 21st century technologies. We know that we cannot continue to rely on the technologies of the past and the industries of the past. That is why we have identified our competitive advantages.
We have a competitive advantage in international education, particularly in my home state of Victoria. It is the No. 1 export. That is where we need to be focused. We know that agribusinesses are underpinned by good science and industry policy, free trade agreements, and by managing our land appropriately in giving consideration to the environment and ensuring that regional communities are underpinned by investment in agribusiness. Similarly, our competitive advantage lies in medical research.

This type of fund is going to allow us to attract high-calibre researchers from across the world. That is going to assist us to move our universities through the international rankings, which will have flow-on effects for the international student market. More and more internationally accredited researchers in the biomedical sphere can say: 'I'm struggling to get that trial up and going. I'm struggling to get the funding for that new practice that I saw of the innovative way that the nurse was interacting with patients, and the interesting technology and the way they were using that particular machine in the hospital. Maybe we could use that in another way and get some real productivity gains.' It is in those creative spaces where our very, very clever people out there in the research world can get a spark of an idea and do something fabulous that none of us have ever thought of. Being able to have a pool of money that those people can be attracted to will assist in so many other ways throughout our economy. It will be very, very exciting to see internationally renowned researchers being attracted here to Australia.

The types of projects that are going to be funded under the medical research fund will include everything from work that needs to be done in labs through to clinical trials and commercialisation issues. We are going to be looking at new technologies. There will be room for new protocols to be established that will impact and affect not only patients but also the interoperability of people within a hospital system more broadly. There will be new practices—whether they be for physiotherapists, dentists, GPs or surgeons—to increase productivity and safety for the health outcomes. As Senator Reynolds mentioned earlier, the focus of this fund has to be on ensuring better health outcomes over time because we know the challenge is great, and it is only going to get greater as the Australian population ages. We have the ingenuity and now, thanks to the Abbott government, we have the funds available to invest in the type of research that is going to make a difference, because the challenge is very, very great.

We are trying to get the passage of this bill through the Senate, and the delay is simply going to mean that these lifesaving projects and these lifesaving research efforts across a wide spectrum of areas will start later. It is going to be a longer time before we get the next cochlear bionic ear developed. It is going to be a longer time before we see new and innovative ways to use penicillin. It is going to be a longer time before we create something as innovative as spray-on skin. That is the opportunity disadvantage, and the reason that this is a problem is because it is not an economic disadvantage—it is about real people, real lives and real health outcomes that we will be delaying if this Senate chooses to continue to delay supporting this wonderful initiative. It is the largest fund in the world dedicated to this type of research. We need to be very proud as a nation that we are prepared to do this.

One of the key questions that researchers like to know when they are applying for funds is who is going to make the decision on where the money is coming from and which projects get funded and which do not. This is going to be a strategic, appropriate, independent decision-
making process so that academics can have confidence in the outcomes that this fund will be seeking to achieve. Each year the Future Fund Board of Guardians—I know other Senators have talked about the Future Fund Board of Guardians’ role in this process, so I will not go to that—will advise the finance minister of net earnings that can be withdrawn from the fund and invested in medical research and medical innovation. They are going to do their best to raise as much money for this fund as they can. That is absolutely appropriate and exactly what they need to be doing. On an annual basis they will let the finance minister know how much the Medical Research Future Fund will have at its disposal to distribute. The government will then make decisions through the annual budget process and be guided by a national medical research strategy. This is about strategically applying the funds—looking where we can get the most bang for our buck and the best health outcomes. This is about the greatest commercialisation opportunities to create new jobs in a new economy, in the new century and building our great history as a nation around biomedical research.

The national medical research strategy will inform the government on how to allocate that money and on how to best use these funds to support medical research and medical innovation priorities. This process will ensure that taxpayer money invested in the fund is protected. The future fund board will aim to provide certainty to the medical research sector by assessing the fund's net earnings in such a way as to minimise undue volatility in the amount available for distribution from year to year. Because, when you go out there and talk to researchers, particularly those involved in the scientific field, you see that it is about that continuity of the finances being available over time. The government is currently conducting a review of research. I get a lot of feedback around the need for research projects to be approved over a much longer period so that you can fully develop the program, fully run it out and indeed assess it at the end so that the learnings can be shared amongst the wider academic community. So I think it is important that that continuity of disbursement be absolutely reassured for the research sector.

I think the exciting thing, though, for the Senate to note about this particular bill and what it is setting up is who can actually receive the payments. It will not just be CSIRO or hospitals. Indeed, medical research institutes, universities, corporate Commonwealth entities and corporations can receive grants for medical research and innovations, as can the states and territories. As a Victorian I think that is absolutely fabulous. We have a great history of investment in science and research, and in spin-off industries, and we are looking forward to getting our hands on—I bet—as much of this money as we possibly can. So I would challenge Senator Muir and Senator Madigan to get on board for Victoria's sake, because we have a great history as a state in absolutely capitalising on our ingenuity and our brains in this sector and the fact that states and territories are able to actually be part of this is a great story for the great state of Victoria.

Every year, as a part of the annual budget process, the health minister will develop proposals for medical research and innovation funding through the Medical Research Future Fund, subject to the maximum distribution available for disbursement, which the finance minister will advise them of as a result of the advice given to them from the future fund's governors. Then he or she will submit that to cabinet for consideration. The health minister must take into account the priorities set by the independent advisory board. We do not want politicians deciding where the best project is because, if I had my way, they would all be in
Victorian institutions, creating jobs for Victorians and creating education opportunities and research opportunities for my great state. So it is a great thing that the health minister must take into account the priorities set by the independent advisory board and seek those opinions, which will be delivered to him or her to take to cabinet.

Cabinet will consider and approve program proposals as part of the budget process. Annual disbursements for medical research and medical innovation, including the NHMRC, are expected to be around $1 billion from 2023-24 onwards. This will result in a doubling of the existing health and medical research funding, from 2023-24. That is a great story. We are investing in the future; we are investing in our brains. For a very long time we have gotten rich on the back of the sheep. We have dug things up and we have shipped them off and we have been very, very good at that. It has meant that we have developed as a wealthy nation. Regional Australia has delivered most of that prosperity over our 200 years. However, this particular future fund recognises that our future as a nation is in smart technology, in advanced manufacturing and in the creative in the 21st century. It also recognises that we can make a significant contribution to the world's thinking around the human condition and some of the challenges that we will be facing as a species going forward and the significant contribution that we can make, based on our expertise.

One concern that has been raised with me with respect to this bill is around the question of the public accountability frameworks that will be put in place to ensure public transparency on the performance of investment for the Medical Research Future Fund. Again, the Future Fund Board of Guardians will continue to be subject to the financial accountability framework that the government has in place for all Commonwealth agencies. It will be required to provide annual reports, audited financial statements and quarterly portfolio updates reporting on fund performance. And that is a good thing because it will be able to be questioned by senators if the need arises. So the greater Australian public can be assured that the Senate will continue to watch over taxpayers' dollars and the annual reports of the future fund through the estimates process. If you have any questions, see your local senator.

Grants funded from the Medical Research Future Fund will be published online, consistent with the Commonwealth reporting framework for grants. So with respect to who gets the money, where it has gone, what sort of projects will be funded it will be very transparent. That is exciting, transparent and accountable. We are happy to be judged on the decisions we make. I think that is a form of good governance, it is part of our process of cabinet and it is something that we as a government and indeed a nation should be very proud of.

Further to this, the health minister is required every two years to prepare a report which will provide meaningful information to the parliament on all funding provided by the government for medical research and innovation from the fund and to detail how this funding is consistent with strategy and priorities set by the advisory board. Isn't that great? So you are not going to get a health minister making the decisions, doing the deals. They will have to be accountable with respect to the advice they are given by the independent advisory board, that they then take to cabinet and discuss. Then, two years later, they have to actually detail how the decisions they have made are consistent with that strategy and that advice.

I am very, very proud of the meticulous nature with which our government and our ministers have approached this particular fund's set-up and how it is delivering on our...
commitment to be an accountable, open and transparent government. This says it all and I am very, very proud of it.

Confucius once said, 'When you breathe, you inspire. When you do not breathe, you expire.' I think the Medical Research Future Fund is an inspirational, landmark decision by a government that is continuing to inspire, and I just hope that the Senate chooses to come on the journey with us.

Senator WRIGHT (South Australia) (18:29): I rise to speak on the Medical Research Future Fund Bill 2015 and related bill. This legislation provides for the establishment of the Medical Research Future Fund, the MRFF as it is colloquially known. I want to put on the record, and reiterate essentially, what the Leader of the Australian Greens, my colleague, Dr Richard Di Natale, has said, and that is that we are keen to support health and medical research in Australia. We welcome the intention of the MRFF—that the fund strategies and priorities will foster innovation and translation. The Medical Research Future Fund is a transformative initiative that will provide significant funding in Australia and support innovative work to bridge the gap between pure research and the application of research results in the field.

It was only fairly recently in my career that I came to hear the phrase 'translational research'. I do not have a scientific background as such. Although I am very interested in science, I come more from a humanities and legal background so I had not actually heard that expression until I met a very impressive mental health practitioner, Dr Jayashri Kulkarni, who is associated with the Monash Alfred Psychiatry Research Centre, who talked to me about the importance of having translational research, particularly in relation to mental health research. So, as the Greens spokesperson for mental health, I am going to be making a particular case in speaking to this bill about the desirability of having much more dedicated and directed funding for research into mental health. I think it is not difficult at all if you look at the evidence to make the case for that.

Let us go back to what we know about mental ill health prevalence in Australian society in 2015. Mental illness is the third-highest cause of disability and premature death in Australia. In fact, it is very well accepted that one in four of us will experience some form of mental illness or mental ill health in our lifetimes. We also know, and it is not really contested, that mental illness costs the Australian community billions of dollars a year in both direct and indirect costs.

Recently, the chair of the National Mental Health Commission, Professor Allan Fels, was on the record talking about the incredible cost to the Australian community in terms of personal cost in lives lost and productive lives lost and participation, and also the financial cost to the community in lost productivity that flows from mental ill health in Australia. We know that it costs us all a great deal of money as well as quality of life. In fact, there is report after report that establishes the cost of untreated and undertreated mental ill health in Australia. A national survey of people living with psychotic illness in 2010, which was overseen by the organisation, SANE, found that for people with psychotic illness—just as one example—education achievement was low; 78 per cent of those people were unemployed; 16 per cent were either homeless or living in supported group housing; and 74 per cent were single. It does not take much imagination to understand the incredible loss of productivity just in that subgroup of people who experience mental ill health in Australia.
The fundamental problem is that the treatment of mental disorders in Australia has not progressed sufficiently. I think our awareness of the prevalence of mental ill health has progressed. Our understanding of the need to get adequate treatment has progressed. But in fact the treatment of mental disorders has not progressed at the same rate, particularly when we compare it with treatments of other illnesses, which once were much more debilitating than they perhaps are now—illnesses like cancer and heart disease. Once, decades ago, a diagnosis of most forms of cancer would have been a terminal diagnosis, and with amazing treatments and research that has occurred in those intervening decades there is a lot more hope for people who experience those sorts of illnesses.

So, despite the fact that there is such a huge financial loss from untreated and undertreated mental illness in Australia, only about 3.5 per cent of Australia's total medical research budget, for instance, was spent on research into depression and psychosis. Depression is a very prevalent mental ill health condition in Australia, and psychosis, while less prevalent, has very, very debilitating and life-affecting consequences for people.

Basic science research is important. Speaking to Dr Kulkarni and others, I have come to understand the absolute importance of having that research then translated forward into the development of new and effective treatments for people with mental illness, so that practically speaking there is absolutely important hope offered to those people. Early intervention is necessary but its impacts are only as good as the treatments that are available.

Service reform is also important, and there is huge a debate, conversation and dialogue going on at the moment in Australia, particularly on the back of the most recent National Mental Health Commission's review report as to how we improve service provision. But ultimately services will be impotent without new treatments to deliver to sufferers. So there is an absolute need to have better mental health research and translational research to provide the treatments that are needed.

I was interested to see that there was a very impressive and interesting article in *The Medical Journal of Australia* that was published in 2011. The authors of that article were like a who's who of some of the most influential thinkers and practitioners in the mental health space in Australia. So we had Helen Christensen of the Black Dog Institute, Philip Batterham, Ian Hickie, Professor Pat McGorry, Philip Mitchell and, as I mentioned earlier, Dr Jayashri Kulkarni. They did some research into comparing funding for mental health research between 2001 and 2010. They were really questioning whether or not the gap which we are aware of in relation to the proportion of the health research dollars that is going to mental health research had narrowed over that decade. They compared it with the research being done into other national health priority areas.

The findings of that research, reported in that *Medical Journal of Australia* article, were really concerning and did in fact confirm the fact that most people know that mental health research does receive lower levels of funding. They started off by looking at particular illnesses like cardiovascular disease and cancer research. They found that mental health research had received 9.5 per cent of funding, cardiovascular disease had received 21.7 per cent of funding and cancer research had received 14.9 per cent of funding. When they made adjustments for the burden of disease, they looked at things like—forgive me for the acronym—DALY, which basically is a way of trying to apportion the significance and the implications of particular illnesses and conditions on people's lives and functioning. DALY
standards for disability adjusted life years. When they made adjustments for the burden of disease they found that diabetes, asthma, cancer, arthritis and cardiovascular disease, all important and life-affecting conditions, all receive proportionately more research dollars per disability adjusted life year than mental health conditions such as depression, anxiety, psychosis and so on.

For people who are very aware of the prevalence and the effects of mental ill health on people in their daily lives, that causes us a great deal of concern. In a sense, I suppose it reflects some kind of illogical way that we have developed our funding in the health system generally in relation to treatment of mental ill health. It is almost as though we have some kind of mind-body split where we privilege illnesses and conditions from the neck down perhaps more than we do illnesses and conditions which affect people from the neck up.

Mental health has traditionally always been neglected in terms of health funding dollars. There is a common understanding that in terms of burden of disease generally and mental health funding while the burden of disease associated with mental ill health is 13 to 14 per cent, in fact the proportion of health spending that is directed towards mental health funding is about half of that at six to seven per cent. So for a long time mental health advocates have been saying that we need to double the funding that is available to meet the incredible unmet need throughout Australia. Those people who have been following the sorts of work I have been doing over the last four years as spokesperson for mental health for the Greens will know that I have done a lot of work particularly in relation to unmet mental illness and mental ill health needs in rural areas of Australia. So while the funding for the burden of disease overall is about half what is needed, it is even less than that in rural areas, particularly when we acknowledge that 30 per cent of Australians live in rural, regional and remote areas and there is a great lack of both community based and clinical services, that there are too few practitioners who are qualified and living and working in those areas. That is a real problem for country people. Unfortunately we see the results of that in the recent Garvin institute report which came out last week and showed that country people are 66 per cent more likely to take their own lives. That is just one example of the effect of that unfairness and disproportion of funding in the system which does not flow on to people living in rural, regional and remote areas.

The Australian Greens are very clearly on the record as calling for increased funding of mental health research. Indeed after having spoken to Dr Kulkarni and being very impressed with the proposal which she brought to me in relation to a national institute of mental illness research, which would look at coordinating the often wonderful, exciting research which is happening in different institutions across Australia, with a need to coordinate that the Australian Greens developed comprehensive and thorough policy to support more mental health research that we took to the 2013 federal election having had it costed by the Parliamentary Budget Office. We did that on the basis that we understood that there is a desperate need for the development of new treatments which offer hope particularly for people who live with chronic and debilitating illnesses like schizophrenia, bipolar disorder and schizoaffective disorder. We need the development of new treatments for mental illness. Similarly for people who experience chronic depression, GPs and specialists need strongly to have tools in their tool kit which can offer people hope when they come to get the assistance they need.
On the basis of knowing that mental illness is the third highest cause of disability and premature death in Australia and does already cost the Australian community billions of dollars, how can we argue with the idea that investing properly in appropriate research and translational research and treatments would not be a good reward or good down-payment on that investment? The Australian Greens came up with a proposal to invest $150 million over three years to establish a national institute for mental illness research as an overarching, supervisory body for mental illness research in Australia. It was based on the well-thought-through proposal and that is still there. We are not talking about that today. We do not have the option to be promoting that but I hope I have made the case for much more dedicated and significant funding for mental ill health and mental illness in terms of the medical funding of research generally.

The Greens will be supporting this bill but I will be putting in a particular plug that when decisions are being made about which research should be funded that mental health stops being a Cinderella area and gets the priority it deserves.

Senator EDWARDS (South Australia) (18:44): It gives me great pleasure to rise in support of the Medical Research Future Fund Bill 2014 and related bill which have come before this chamber. But, before I talk about these bills, I want to acknowledge Senator Wright's contribution in this debate and indeed her much broader contribution. In the break, Senator Wright announced that she was leaving this place. I am not sure when that is actually going to happen, but I would like to acknowledge your great work in South Australia, Senator Wright, especially in those areas which you spoke of so eloquently. I know you are very passionate about the area of mental health, and passion is exactly what you need to have in this place to drive a cause.

Recently our Prime Minister said to me privately: 'You have to stand for something. You have to be known for something in this place. You can never leave this place not being known for something.' I took that on board. The day that you do leave this place, Senator Wright, I will remember your contribution in the area of mental health outcomes for Australians—in particular, the mental health outcomes for regional Australians. As we know, for a range of reasons, there is a disproportionate amount of dysfunction and even, tragically, suicide in the regions and our Indigenous communities stemming from mental health issues. I have watched your contribution in the area of mental health and I have an enormous respect for it. So thank you for that.

I was also heartened to hear that the Greens are going to support this legislation. It is a landmark legislation. It is legislation which takes into account a lot of what we in Australia have been subject to for many years—that is, the ebb and flow of budgets and budget pressures. With the establishment of the Future Fund we saw a demonstrably successful piece of policy which is now delivering dividends for all Australians. All Australian saw the benefit of that and are now seeing the benefits of that. This legislation looks to try to address what has been an issue throughout history. Invariably when governments come under pressure to balance their budgets they look to areas of expense, and traditionally the biggest area of expense in any government's budget is the health area.

In quarantining what will be a significant amount of money—in its final form, $20 billion—the Medical Research Future Fund will become the biggest endowment fund of its type in the world. The importance of that and the commitment to that by this government...
cannot be understated. This is a particularly important issue when it comes to providing security to ensure that the research professionals in the medicines industry can stand by all the people they employ and we can stop any leakage of our incredibly smart and dedicated scientists and health professionals to other countries and we are able to keep them here, because they will know that this government and subsequent governments will be committed to the cause.

In this legislation there are a lot of mechanisms. There is obviously the provision for revenues that will be provided. A sum of $1 billion initially has been allowed for in the next 12 months, and I will outline later in my speech how that has been achieved. Importantly, it will provide $400 million over the next four years, and that is in addition to the government’s existing commitment to direct medical research. The establishment of this fund will not only encourage innovation and medical research but also provide economic benefits, which I will outline later in my contribution. There is nothing like money to attract money, and this will support investment across the research spectrum—laboratory research, clinical trials, commercialisation of new drugs and devices and the translation to new techniques or protocols into clinical practice and into public health improvements. As I say, this legislation provides for the mechanics of creating credits to this fund, provides a mechanism for debiting the funds and provides how the fund is going to be governed and how it is going to be administered.

The fund will bridge gaps in the existing system. Successive governments, no matter what persuasion, have seen that there is a need. We have seen knee-jerk reactions to various programs, and we want to smooth out the highs and the lows so that we can get a translation of research projects into applied technologies and practices and ensure that medical research for the longer term does not suffer any setbacks which would put us behind in terms of achieving the best health outcomes for Australians. The fund will provide for us to be an innovative nation and provide for us to commercialise our research work. Who could forget the work of Professor Graeme Clark AO in the development of the bionic ear, a multiple-channel cochlear implant?

There are so many stories. I see Senator McEwen is in the chamber on the other side. She would be well aware of Dr David David and his great work. He grew up in Adelaide. He gained his medical degree in 1966. He set-up the Craniofacial Unit, now the Australian Craniofacial Unit. Three decades since, he and his team of dedicated professionals have helped restore dignity to thousands of patients. In his hands, complex surgical procedures seem somewhat commonplace. He does, indeed, perform everyday miracles. To see the work that is able to be carried out with the necessary public funding to change the way people live their lives, in his case, is profound.

Dr Bill Griggs is another local. He is involved in innovation in trauma surgery. He has cared for victims of events where there have been multiple casualties. He is best known and lovingly remembered for his exceptional work after the Bali bombings and the 2004 Boxing Day tsunami.

All of these people are products of the great research work that is able to be carried out here. Senator McKenzie referred to spray-on skin—another incredibly important advancement for burns victims. We have to be and continue to be a nation leading the medical technology
race. It is not just about the health outcomes of Australians; it is not just about increasing the longevity of people's lives; it is about increasing the quality of people's lives.

This fund addresses the commercial issue of money. I love talking about money because you cannot do anything without money. People say to me, 'Money is not everything.' If you have got it, you can choose your own level of poverty, I say. This innovation fund will be governed by a mix of specialties from science, administration and governance, and they will identify medical research projects and innovation priorities and give certainty to the nature of investment activities to support the growing needs of what is required for the commercialisation and the sustainment of this important area.

I am not going to talk about the boiler-plate of the bill which talks about independent advisory boards and their role. I am not going to talk about the ministerial provisions to report to government every two years. They are all contained in the legislation, as you would expect that a proper government would have in place. There is a transparent listing and regular updating and listing of the priorities of the fund, and how the fund is administered. The strategy will be set on a five-yearly basis and it will take into account the national health needs, the gaps in current investment and the strategic sequencing needed to deliver the best results for the expenditure.

It also will strategise the priorities which are expected to ensure that program level funding from the fund has a strong business case. I have talked about the commercialisation of our research. The CSIRO is well-known for it. Ranging from sunblock to wifi, they are famous for their contribution to the planet in terms of the research and science that they have deployed. But this fund will address health and welfare. It will be the biggest fund in the world. The governance of this fund, the people behind it, will ensure that they coordinate research and innovation programs that will minimise duplication and leverage the expertise which we have in this country and use existing medical research arrangements. They will ensure that everything that we do complies with what is internationally accepted in terms of medical research and innovation, including peer review and the provision of expert advice where required. The innovation of the fund will always be directly proportional with medical research. It is just a fact that medical research is a great consumer of cash. It goes to the very core of our being to improve our way of life, the way we live and our quality of life.

I am going to be a little parochial, if I might, and talk about how this relates to South Australia because that is my home state. I had the pleasure several weeks ago of attending the newly constructed South Australian Health and Medical Research Institute. In Adelaide, we affectionately call it the SAHMRI building. It is west of the train station on North Terrace. Some call it, also affectionately, the 'cheese-grater' because of its design and out-there architecture. It houses some of the smartest minds that this country has in the fields of science and medical research. These people will be directly affected by this fund. There are about 450 people there now and there is capacity to go to 550 people.

We are hoping that we can get the cyclotron there which works in conjunction with ANSTO, the Australian nuclear organisation—the government-run organisation that is so well-reputed around the world. It will be the only one in South Australia, and we can use that for making radioactive tracers that will be used in the early detection of cancers. These things are expensive, and when health budgets are cut by state and federal governments these things are put on a backburner. But not with this fund. There is a compelling argument to deploy this...
facility and the scientists that go with it for the early detection of cancer, in order to turn the outcomes for people's lives around much quicker. These are typical examples of how the benefits, the dividends, of this fund will flow and support the way in which we live—not just in South Australia but also in Australia, in Asia and the rest of the world.

The SAHMRI building and research institute is run by Professor Steve Wesselingh, a very smart man who was obviously attracted by the long-term commitment of both the federal and state governments to that facility. He assumed the role of the inaugural executive director in October 2011. Without the commitment to that facility and the programs within that facility, we would not be able to attract the world-class expertise of people like Professor Wesselingh. I include Senators McEwen and Wright in this contribution, because they were with me on the day on which the Prime Minister, the Hon. Tony Abbott, opened this building in November 2013. It was a celebration because it marked the beginning of a new era for research in South Australia, and it was certainly emblematic of the future of the state's economy and the health economy. It is a big marker in time as to where we felt our economy should be turning to, and medical technologies will be a very big part of the way in which the South Australian economy will grow.

Visiting places like this provides you with the momentum to come and talk about these things. When I was there with Professor Wesselingh, he talked about the work that they do in Aboriginal health—the Wardlparingga Aboriginal Research Unit is housed in the SAHMRI building within the institute. Their research is focused on a significant gap between health status and life opportunities available to Aboriginal people as compared to other Australians. This is topical, because I have the Minister for Indigenous Affairs here in the chamber in his ministerial role. He would, no doubt, know of the great work that this and other institutions are doing to improve life outcomes for our Indigenous communities. Also within the medical research institute in South Australia is an overarching goal to foster excellence in a full spectrum of cancer-related research from fundamental genomic discovery and developmental biology to translational research and the development of innovative clinical trials.

It might sound complex, but it all takes cash. Research and innovation, by their very nature, have to have somebody paying for it and, when it is untested and you are in new ground, that is the role of government. In establishing this fund and going about this in a way in which we can deliver health outcomes and fund health outcomes for the next two generations, we know that when we leave this place after setting up this fund—by passing this bill—that we will have left the medical research institutes, the like of SAHMRI, all over Australia in very good health.

**Senator CANAVAN** (Queensland) (19:04): It is a pleasure to rise to give further support to the Medical Research Future Fund Bill 2015 and related bill. It is a very important initiative that supports what is a very successful industry for our country—an industry that provides a massive number of jobs but, more importantly, has huge future potential going forward. It is a great service that this government has committed such a high level of resources to back and to underpin that sector and to make sure that we fully take the opportunities that are arising in the sector.

I will start with a more prosaic example from my home state of Queensland. Recently I had the opportunity to visit a medical products firm called Cook Medical at Mount Gravatt, just south of Brisbane. Cook Medical is actually part of a large overseas conglomerate based in
the United States, but it does a substantial amount of manufacturing here in Australia. Indeed, the headquarters of Cook Medical choose to do this manufacturing in this particular part of Australia because of the available skills and capabilities, and because our general environment is conducive to the manufacture of these products.

We should celebrate businesses like Cook Medical more than perhaps we get to do, because they produce fantastically innovative and wonderful medical products that save people's lives and improve the quality of people's lives. Cook Medical produce a range of products, but specialise in stents. I did not know anything about stents until a few years ago when my grandmother got quite sick and had a stent inserted. I suppose when you first hear about how these things work you wonder who comes up with this sort of idea? 'We'll stick something up your leg and put it all the way up to your heart and that will make you feel better'. I feel for the first person who had to undergo that operation as a guinea pig, but it did work. We have had stents for, I think, less than 20 years or so, and they have saved or extended tens if not hundreds of thousands of people's lives. They have certainly extended my grandmother's life so I am very thankful for it.

Cook Medical produce stents for people like my grandma here in Australia but they also export them around the world. Indeed, when I went to see them they were producing stents for patients in Japan. They had received an MRI scan of a Japanese patient and they looked to see what specific product they should produce and supply to that person. It is amazing technology and it is only going to grow. It is probably going to become more customised and produce more opportunities for Australia to be part of this sector—not only to be in the business of saving people's lives but also to create jobs and opportunities for very smart young Australians who want a future career. I met a young lady there who had just come out of Griffith University in Brisbane, and she had been given a job as well as an opportunity there as a graduate. It is not just for the tertiary graduates; they have a whole floor of people manufacturing stents. It is pretty much what you would see in a textiles or clothing factory: rows and rows of people at sewing machines and knitting facilities, creating stents.

It has clearly become difficult for business in Australia to specialise in things like textiles and clothing, which are relatively labour-intensive forms of manufacturing. It is manufacturing like this that we do have a future opportunity in, because it is value adding in a business that is of high value and that has a high level of customisation; therefore, the issues of economies of scale and mass production are not as prevalent or as keenly felt. Cook Medical explained to me that they would not think of outsourcing the manufacturing of these products overseas because of the natural advantages they have here in Australia, where they are close to the design team who design the stents. It is very important to have that communication between those who design the products and those who manufacture them, because what can seem like a good idea in theory or design may not be practical when it comes to manufacturing. It helps the designers to get things right when they have got the people actually making the products so close by. So it is a great positive, new story for our manufacturing sector, for our medical sector and for our innovation sector. It is these sectors that we should seek to promote and support more, and it is a great initiative of the government to establish a substantial medical research fund that we hope to grow to $20 billion over years—a fund that will be starting with $1 billion from the Health and Hospitals Fund of the
former government and a fund that we hope to provide $400 million in additional research and development funding over the forward estimates.

That sort of money will not just fill a gap in the medical sector; it has the potential to fix some of the issues that we have in our broader innovation sectors. Right now we have a Senate economics committee inquiry into innovation, and one of the issues that have arisen in that inquiry—it is not one that is new to policy making but it is one that has been emphasised in that inquiry—is that we do very well as a country at producing ideas. We do very well at having high-quality researchers. We rank highly in our ability to produce high-quality research and our universities are remunerated to make sure, through the ERA rankings, that they do produce high-quality research. The issue we sometimes have is translating that high-quality research from good ideas and good papers published in good journals to actually commercialising them into products that create jobs and wealth. We do fall down on those measures. So, while we are one of the top countries in the world for producing those published papers, we are at the bottom of the table in the OECD in terms of commercialising those ideas into some kind of saleable product.

I note that the detailed projects that the Medical Research Future Fund will fund are yet to be worked out and will be worked out through the governance arrangements defined in this bill. I do hope that there is a focus by the Australian Medical Research Advisory Board that will be established under this framework. I do hope that they do consider the need to concentrate more on commercialising the good work that we already do in the medical field into commercial, saleable products that support businesses here in Australia. I note that the advisory board will develop an Australian Medical Research and Innovation Strategy and Australian Medical Research and Innovation Priorities. I do hope that those sorts of things are considered. I am sure that by the time that strategy and those priorities are set, the Senate economics committee will have wrapped up and reported, and perhaps we could point out a few things in this field that we think should be done. We do have a very great opportunity here with this fund, and it would remiss of us not to completely maximise that funding opportunity.

We are hoping to establish the $20 billion fund as a capital reserve, as something that would put a base into medical research funding in this country, and I think Senator Edwards may have raised a point about how important it is that we do have some stability for people in this sector. Many of the products that are developed in this sector—indeed, probably most of them—require an investment timeline, a pay-off period of decades, not just years. It is a very risky area where investments may not pay off. I think it is a sector that requires, more than most, some form of stability from government, some form of continuity, and I very much hope that, if this legislation is passed and if this fund is established, we do ensure over many parliaments and different governments that it continues to fund research in a stable and continuous fashion for the medical research sector. It is not a sector that could cope well or respond well to ups and downs of different funding and different decisions. If we were to do that, it would dent confidence in that sector and perhaps limit the leverage this fund might generate in the private sector. While this is a substantial investment of public resources into medical research in our country, it is something we hope would be leveraged to create an even more substantial investment from the private sector in medical research in this country. That will happen only if a stable and consistent policy environment is delivered.
We will make sure the new fund ensures that Australia continues to advance the world-leading medical research projects we are lucky enough to have housed here and that we continue to attract and retain first-class researchers and ultimately deliver better health outcomes for all Australians. One thing we do have to tackle, not just in this country but across the world, is ensuring that we can continue to improve how we deliver health services in a cost-effective way. It is no secret that health funding, both public and private, both in this country and around the world, is growing at very high rates. The pressure will probably only continue as our population ages and new customised medical products are developed. But we do have a limit, and we need to make sure that the health budget we do have in this country, which is substantial, is spent in a way that delivers the biggest bang for the buck. If we do not do that, two things will happen: we will have to find more money to pay for these things, or else restrict services that are available, and we will not be able to fund as many lifesaving and life-improving products as we could.

So, we have an obligation to make sure that our hospital and health funds more generally are spent efficiently and that investments in research and development through this fund make sure that that happens. That will ensure that we deliver a sustainable health system into the future and will enable vital research that will lead to the discovery of new medicines and technologies for the prevention, treatment and care of all Australians. All Australians stand to benefit from ongoing investments in medical research through this fund—both directly, through improved health, and indirectly, through enhanced productivity and economic growth. As I said earlier, it will also make sure that we build on the huge opportunities that exist in our medical research and innovation sector and help deliver a more sustainable health system.

Various funds have been established in the past few years by different governments, and some have asked, why establish a new fund? Well, with this fund we want to achieve a few things. We want to focus on research, because we think that is a great opportunity for our nation, as I have outlined, and we want it to be capital protected so that we have an ongoing, stable amount of money there to support research—money that is not dived into for various, sometimes politically motivated, programs. And we want to deliver a national approach to medical research and innovation across the entire country. With that in mind, this bill provides for funds to be distributed to state or Commonwealth corporations that are engaging in medical research.

We announced in the latest budget that this fund was due to commence on 1 August, subject to the passage of this legislation. Obviously that date has passed, but once the legislation is passed we will establish the fund and transfer that $1 billion from the Health and Hospitals Fund. The delay in the commencement of this fund will impact the level of investment earnings over time, but the estimates previously provided in the budget will be revised later this year. This is a fund that will eat what it kills, basically: whatever it makes and funds, it will be able to spend. So, while there are certain estimates in the budget, the finalised spending of this fund will be determined by the earnings of the fund itself, which will be governed by the Future Fund, as are other funds in the Commonwealth.

I applaud the government for focusing on this area, because I think there are huge opportunities for our country in medical research. It already underpins thousands of jobs. It is an area that has been highlighted both by the Chief Scientist, Ian Chubb, and in the
government's STEM policy, as well as industry policy—industry growth centres last year. This fund helps and complements those policies to ensure that we do in fact take the great opportunities that exist to provide health care to Australians and to the burgeoning middle class in Asia, which will certainly be demanding better health outcomes. And what better country to provide those outcomes than one in the same time zone that has a proven track record and that is providing innovative and new health outcomes?

**ADJOURNMENT**

The ACTING DEPUTY PRESIDENT (Senator Whish-Wilson) (19:20): Order! I propose the question:

That the Senate do now adjourn.

**Indigenous Youth**

Senator LINES (Western Australia) (19:20): I want to take the few minutes I have tonight to make some remarks about a report published by Amnesty that focuses on keeping Indigenous kids in the community and out of detention in Western Australia. The report was published in late July and calls for action by Aboriginal people and the wider community. There is a real opportunity—in fact, a need—for the federal government to take leadership on the issue of Aboriginal incarceration, particularly the incarceration of young people in juvenile justice detention centres. There is an urgent need for the federal government to step up to the plate and show that leadership. We also need, right across Australia, a strategic approach to what is happening with Indigenous incarceration and what needs to be done to keep kids in the community, not in detention centres. The Amnesty report demonstrates that, with practical reforms to institutional practice, justice laws, community collaboration and strategic resourcing of diversion from custody and other community-building initiatives, Western Australia—and indeed every state and territory—could really achieve a change in the devastatingly high number of Aboriginal and Torres Strait Islander youths who are in detention.

I will just go over some of the facts. In Western Australia, there is now a crisis. There is no doubt about that. At any one time in Western Australia, one in every 77 Aboriginal and Torres Strait Islander boys is in detention. Western Australia consistently detains Aboriginal young people at a vastly higher rate than any other state or territory. The rate of the overrepresentation is rising. Western Australia and the Northern Territory are the state and territory which do not provide national statistics in a way that is meaningful, so the Amnesty report calls specifically on the Western Australian government—and, again, the federal government could take the lead here to insist that this happens—to take immediate steps to improve the collection and dissemination of data that is relevant to the youth justice system.

Last week, when we had our inquiry into Aboriginal incarceration in Western Australia, even the chief justice who gave evidence at that inquiry could not understand why the data could not be collected. We need disaggregated data. We need to look at police cautions and the referrals from the juvenile justice team. We need to look at decisions to arrest and to summons, by type. We need decisions around the grant or refusal of bail, by offence type, because that is another area where Western Australia stands out. Kids are often in remand because the bail options are not there. Most children in remand do not go on to receive a
custodial sentence, and yet we have locked them up. The facts are that, once they get before a
court, there is often no custodial sentence. But we need to have the absolute stats around that.

We need the total numbers held in detention each year. Western Australia, along with every
other state and territory, locks up children as young as 10. That is not what is recommended.
The conventions on children say that children should not be in detention before the age of 12.
Yet, in Western Australia and every other state and territory, children as young as 10 can be
in remand. Given that Western Australia locks up Indigenous kids like no other jurisdiction
across the country, there are 10-year-olds in detention in Western Australia. Ten years old—
just think about that for a moment. We are putting those kids away. And of course they are
taken out of school and they are learning from older kids in detention to keep breaking the
law, and they are ending up back there. This is a really, really bad outcome. When I asked the
chief justice about stats on that, none were available. This is a great report. I commend it to
the Senate, and I will be speaking on it again.

Randall, Mr Donald James

Schultz, Mr Albert (Alby) John

Senator BACK (Western Australia) (19:25): On the evening of Tuesday, 21 July, I was at
RAAF Base Amberley on a parliamentary visit, and I received a phone call from a
commercial radio station in Perth. The caller asked me if I would make some comments about
Don Randall. I have to admit to you that my first reaction when I was asked whether I would
make a comment about Don Randall was, 'What's Don done this time?' because we know that
Don was an incredibly colourful character. This evening I just want to pay my respects to the
family of Don Randall,

We know the stresses on people who undertake the work that we do. It was in the late
1990s that our then colleague Senator John Panizza passed away. He was in Cairns on a
Senate hearing. He did not appear in the morning. They opened his hotel room up and, of
course, John had passed away. John came from Marvel Loch, which is some 300 kilometres
east of Perth, and it was only then that someone started to consider what sorts of pressures
there are on people who have got to travel in from Marvel Loch or Southern Cross to Perth
and then get their way across here to the eastern states.

Don Randall was only 62 years of age. He was, for many of us, a mentor. He was a
scallywag. He was the quintessential Australian person. I suppose he probably mirrored Alby
Schultz in some ways as well, and I will come to that in a few moments. Don originally stood
for and won the seat of Swan and then lost it, and then of course he won the seat of Canning,
which he not only held but was able to get to an 11 per cent margin, in a seat which is not
naturally—as Senator Cash would well know—a seat which would be pro our side of politics.

Don was born in Merredin in the eastern wheat belt, a town where I spent a good number
of years. In fact, I met my wife, Linda, in Merredin. We reflected often on that town and the
influence the wheat belt had on him. He became a teacher at training college. Don had a most
unusual attitude to the workplace. He had a very keen interest in horseracing. He was a very
good teacher. He was a teacher who was loved by his students, mainly because of his unusual
teaching style. But also it was seen to be quite remarkable: if Don had a horse running in
Northam or York or Beverley or Toodyay on a Wednesday, it was amazing how often he was not able to get to work on a Wednesday afternoon! At one stage in his career he became a racehorse trainer. I once told him he probably could not have trained a vine up a toilet wall. He took umbrage at that!

Don needs to be remembered from the federal parliament for his fearless defence of the little man. Those of us from Western Australia know that, when Don picked up a cause, it did not matter who he took issue with. If the minister of the Crown was a Labor Party person, be they state or federal, or if they were a Liberal Party person, be they state or federal, they incurred Don's wrath if he felt that one of his constituents was being harshly dealt with. As recently as a month ago, he had gone in to bat for somebody who had bought some land. For whatever reason, the department of the environment had decided to take this person through the courts. Don fearlessly defended that person through to our Attorney General, Michael Mischin, publicly, in a Liberal Party monthly meeting, and of course he very, very strongly represented the case of the little person.

Don loved a red. Here in this place, if you caught up with him at an event, he would always give you good counsel as to what reds you should and should not try. I would say to him, 'Don, are you directing me'—you will be interested in this, Acting Deputy President Whish-Wilson—‘towards Western Australian reds?’ and he would say, 'No, no, no, because that Yarra Valley red, that shiraz, is the one you’ve got to try.' I do not know if he ever got much of a taste for your Tasmanian wines.

But most of all Don loved and was proud of his family: his wife, Julie, and their two children, Elliott and Tess. He would always speak about their achievements, about how well they were going. Of course, Tess worked originally for him and then for our Minister for Foreign Affairs, Julie Bishop.

I guess the last memory that I have of Don was a call that he made to me. He would appear to have had a very, very rough exterior, but in fact he was a person with a deep concern for his colleagues. It was about a matter which I will not discuss, but it was one in which he had concern for my wellbeing. He was at some pains on a Saturday afternoon to call me to see whether or not there was anything he could do to assist me in what he saw as being an assault.

I speak too of Alby Schultz. Alby was very, very ill prior to the 2013 election. Alby was the member for Hume, and of course Angus Taylor now is the member for Hume. It is fair to say, I think, that Alby’s cancer had so consumed him that none of us thought he was going to survive through to the end of the parliamentary session in the last parliament. He was a person who was vehemently concerned particularly by industrial wind turbines. He was a person who spoke eloquently on those issues on which he had concerns, and that was one on which I had much to do with Alby Schultz.

Alby’s was also an interesting story in contrast to that of Don. Alby came up through the hard school. He was a slaughterman, and he ended up as a member of parliament for the seat of Hume in the Parliament of Australia. I do not know how he lost his eye. I think it in fact may have been in an industrial accident. I am sure that from where he is today he will not mind me saying that I always had great difficulty when I was engaging in conversation with Alby because I did not actually know which eye to concentrate on.
But I can certainly tell you that Alby Schultz represented his electorate. He represented his constituents. Indeed, it would be fair to say that the views he held he held strongly. In the party room, he was a fierce advocate, but at the same time Alby was a person who would listen to the views of the other person.

In the few moments I have left to me, I just want to reflect on the fact that we in this place, be we in the Senate or in the House of Representatives, are privileged—I accept that—but the wider community also needs to know that we work very, very hard on behalf of our constituents. In the time I have been here, I have yet to meet the first person of whichever political persuasion who has not had the genuine desire and the genuine objective of doing the best that they can for their constituents, for their state or territory and for the country.

As I reflect on the life of Don Randall, 62 years of age, still a member, and that of Alby Schultz, a retired member, I guess the message that I just want to put out there to the wider community is that, however critical the wider community might be of what they see as being entitlements—which I would say are conditions of employment, but that is a discussion for another time—I think the wider community need to be somewhat respectful of the geographic distances in this country and the difficulties associated with getting here and being here. I heard Senator Siewert being criticised the other day on Perth radio. Those who criticised her and us in that context—it was a disgrace.

**Workplace Relations**

**Senator KETTER** (Queensland) (19:35): First it was veterans and pensioners, and now it appears that hospitality and retail workers are in the line of sight of this government. Why must this government target the most vulnerable in our society? This question, I think, gives rise to a broader issue which is the theme of my contribution tonight, which is in terms of inequality in our society, particularly income inequality. I believe that either you are on the side of reducing inequality or you are not. Unfortunately, it appears that this government is pursuing policies which advance income inequality.

Income inequality in Australia has been rising. We are now at the bottom half of the OECD's equality ladder. We know that the gender pay gap is widening and, most worryingly, since the mid-2000s, wages have failed to keep pace with productivity improvements. What does this all mean? We talk about inequality in society. We know that there are people around the world who are coming to the understanding that there is a link between rising inequality and slowing economic growth around the world. In fact, I think it is well known that the IMF managing director, Christine Lagarde, recently noted that the world's 85 richest people control more wealth than the world's 3.5 billion poorest people and that this degree of inequality is 'casting a dark shadow over the global economy'. So, in my view, we must pursue policies designed to limit inequality.

But what do we see from this government? This government has launched an inquiry into one of the very institutions which I would argue have been at the forefront of the inhibitors of rising inequality. The Chifley Research Centre report *Inclusive prosperity* states:

Overall, Australia's strong growth and employment record, matched with policy and institutional settings, has acted to slow the growth of income inequality experienced in countries such as the United States and United Kingdom. These settings include: a strong social safety net, including means-tested welfare, universal healthcare, and universal superannuation scheme; high public investment in education; a solid minimum wage; employment standards; and discrimination protection.
I realise that there are a number of factors there that are working to inhibit the growth of inequality in our country, but I would argue that one of the more significant of those inhibitors is our industrial relations system, which is now the subject of a draft report by the Productivity Commission. That Productivity Commission draft report has made it clear that our current workplace laws are not fundamentally broken. The draft report seems to embrace collective bargaining, the National Employment Standards and the award system, and the Productivity Commission support the role of the Fair Work Commission and the Fair Work Ombudsman in the main. So we would like to know if Mr Abbott and Senator Abetz agree with the commission that the current arrangements are indeed fundamentally correct. The report makes a number of recommendations in relation to, amongst other things, penalty rates, the minimum wage, unfair dismissal, individual arrangements, enterprise bargaining and the Fair Work Commission. Unfortunately, the commission has proposed a two-tier penalty rate system, which Labor will not support and which the Abbott government must immediately rule out.

One of the major unions in this country, the Shop, Distributive and Allied Employees' Association, has undertaken research through the McKell Institute and has found that it is estimated that retail and hospitality workers in rural Australia would lose between $370 million and $1.55 billion each year, depending on the extent of the cut to the penalty rates and the level of local ownership of retail stores. The report goes on to find that it will reduce disposable income for spending in regional areas by between $174.6 million and $748.3 million. The extent of these impacts varies from region to region, with several individual examples provided in that report. I commend the report to senators.

We know that the adoption of this two-tier penalty rate system would create two Australias. Treating retail and hospitality workers as second-class citizens is not something that the Labor Party will ever support—one Australia where some people are fairly remunerated and another Australia where there are working poor who are unable to sustain a modest, decent standard of living. In the hands of the Abbott government, it is also likely to be a two-step approach where one group of workers will have their wages cut—hospitality and retail—before the government moves on to the next—nurses, firefighters and others. So we would say that there should be no mistake here: this is a slippery slope towards a wholesale cut to penalty rates across the board.

With wages growth at its lowest in 20 years, penalty rates are essential, but the Prime Minister is seeking to attack penalty rates through the back door of the Productivity Commission. As articulated in our inaugural submission to the Fair Work Commission, Labor believe in a fair and economically responsible increase in the minimum wage, given inequality in this country is at a 75-year high. A strong minimum wage does not just help our lowest paid; it is the foundation for the determination of award wages, which in turn support middle-class families and stimulate economic growth. Labor has concerns about the commission's recommendation to create an enterprise contract, and this could be enterprise bargaining without the bargaining.

Senator O'Sullivan interjecting—

Senator Polley interjecting—

The ACTING DEPUTY PRESIDENT (Senator Whish-Wilson): Order! Do not have conversations across the chamber, please.
Senator KETTER: Rather than a race to the bottom on wages, Labor believes the government should focus on jobs and economic growth through investing in skills and training, infrastructure, innovation and entrepreneurship, and we would carefully consider the report through that prism.

The draft report resembles something out of Work Choices. Instead of ruling out this fundamentally unfair proposal immediately, Mr Abbott has used the recommendation to hit the airwaves, seeking to influence the Fair Work Commission to cut penalty rates in accordance with the recommendation. In reference to looking at penalty rates, Mr Abbott said, 'I think there is a case for looking at this issue.' The Prime Minister then went on, seeking to unduly pressure the independent umpire, the Fair Work Commission, by saying:

... let's hope the Fair Work Commission is alert to the need to maximise employment and maximise economic activity.

The McKell Institute report found that reducing the take-home pay of low-paid workers and their families is going to have a negative impact on economic activity. People around the world are coming to that conclusion. Working people with less to spend—this makes no sense. It means there is no demand in the economy.

I made the point at the commencement of my contribution that we need to look at our economic policies in light of inequality and where we stand on that particular issue. Australia has avoided the radical unfairness that has come out of the American system, but unfortunately the Abbott Tea Party Liberals are attempting to take us down this American road at precisely the same time as we have American economists and politicians looking at Australia as a road map for achieving more inclusive growth. If Tony Abbott has his way and penalty rates are cut, some workers will be forced to get a second or third job. Changes to penalty rates are not just negative for workers but detrimental to companies that rely on the wages of local employees to survive. It does not make any sense.

Perth Freight Link

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (19:45): Capitol Hill is a long way from the Fremantle Town Hall; it is a long way from the place known for thousands of years as Walliabup or more recently known as Bibra Lake, in the Beeliar Wetlands chain, in Perth's southern suburbs; we are a long way from the bumper to bumper container traffic on Tydeman Road, in North Freo, and from the quiet suburban streets of Palmyra and North Lake.

Tonight, I am here to pay my respects to those people who are speaking up and stepping up for all of those places—for the issue that has long since outgrown the immediate-impact area of Malvern, Cockburn and Fremantle and has become, in fact, a $2 billion albatross hanging around the neck of the Barnett government. I am speaking, of course, of the Perth Freight Link. I am here tonight to remind the Senate that the Perth Freight Link is actually a national issue because Premier Barnett, having driven the state's finances off a cliff, now wants taxpayers from all over the country to pay for this concrete debacle.

We in the Senate and colleagues in the other place—principally, Ms Alannah MacTiernan, the federal member for Perth—and state colleagues in the Western Australian parliament, out of the Barnett government Public Service, have been seeking basic information on the Perth Freight Link. It was initially pitched as a $1.6 billion project that would link the Roe Highway...
extension through the Beeliar Wetlands, through Melville to hit Stock Road and then up, somehow, into Fremantle.

They have been trying to get basic information out of the Barnett government, who came up with this mad idea, and out of the Abbott government who, sight unseen, without cost-benefit analysis, without a business case, without a route alignment, without traffic modelling and without an environmental-impact assessment said, 'Sure, we'll give you a billion dollars for that.' Unbelievable! It circumvented Infrastructure Australia's assessment processes, which are not perfect and which are not completely arm's length but are a hell of a lot better than what we have now.

We have been trying to find out some basic information. Those things that I just listed are not in the public domain. Some of those documents exist, some of them have been seen by Infrastructure Australia and none of them are in the public domain. The reason for that, we hear from people who have been involved in their preparation, is that the numbers do not stack up—if the business case were ever put on the table the project would collapse; if the cost-benefit analysis, such as it is, were ever produced the case for the project would collapse.

Now we hear that it could include bridges and maybe this imaginary tunnel that the state transport minister has dreamed up—with whatever on earth the government intends do in Fremantle—and that the project could cost as much as $2½ billion. There is no alignment. The government does not even know how it intends to connect this thing to the container port in Fremantle Harbour.

We have been seeking, through orders for production of documents and through freedom of information requests, information on any evidence at all that Aboriginal consultation was done—there are important sacred sites within the impact area that are proposed to be flattened within the Beeliar Wetlands chain—and on the entire business case, rather than the glib, dismissive and insulting 30-page pamphlet that was put into the public domain. It does not answer basic questions about how the hell the government thinks this project stacks up.

We have been seeking information through orders for production of documents—one of which lapsed today—and we got this letter that Senator Cash tabled. Senator Cash, you are only here in a representative capacity but, nonetheless, you speak for the Abbott government and you are a minister assisting in this matter. You are also a resident of Western Australia. You would know, through you, Mr Deputy President, just how deeply unpopular this thing is.

Instead of those documents being put on the table, we were told it is all commercial-in-confidence. That is, effectively, a public-interest immunity claim that says that it is in the public interest that you do not know where $2½ billion—that you raised in taxes—is going to go and how it is going to be spent on this project. Instead of getting the documents and having them put into the public domain on this project—which is looking increasingly brittle and the Barnett government, you would have to say, is looking increasingly desperate to talk about something else—we get this rather insulting letter back saying that it is all going to be commercial-in-confidence.

We have also moved—which will be voted on tomorrow so I will not reflect on that outcome, because maybe there will be a change of heart—for a list of other material that I think is of extreme importance in trying to find out where the government's head is on this. We will see what happens tomorrow. In the meantime, on the basis that the government has
refused to put that information into the public domain, tomorrow we are going to be giving notice of a short, sharp Senate inquiry. It will be conducted into the decision-making process that led to this extraordinary decision to commit more than a billion dollars' worth of Commonwealth funding to this project, the decision-making process and the information that was relied on by state and Commonwealth governments that informed the decision. It will look at serious options that are out there and evaluate what the other options are for dealing with growth of the freight task through metropolitan Perth, particularly container traffic, although I acknowledge there is other quite rapidly growing freight moving through the Fremantle port. There are alternatives. We want the government to look at those alternative rather than just blindly commit to this bizarre concrete folly that has become known as the Perth Freight Link.

I look forward to the support of Senate colleagues when that is voted on, on Thursday. It will be a short, sharp Senate inquiry that calls the state transport minister and Main Roads WA to account. The state government believes this project is wonderful. If they think it is so great, let them front a Senate committee and tell us how great. More to the point, let them put that documented evidence on the table so that we can see exactly what it is that they are on about. In the hope that the inquiry gets up, we would seek something fairly short and sharp that would travel to Perth and that would finally put the public and some decision makers into the picture as to where the government is heading.

There is growing understanding obviously that stopping the Perth Freight Link will not be enough. At that event at the Fremantle town hall three or four weeks ago, it was very obvious to those in the room—and to the 150 people who could not even fit in the room and had to listen to the event on a loudspeaker in Kings Square—that we have hit a tipping point, that this project is going to be stopped. It is like Ningaloo or the campaign to save the old growth forests or to stop the uranium in Western Australia. We have got a pretty good track record when people link arms and stick-up for each other.

But we understand that stopping the Perth Freight Link—and we will—will not be enough. We have to get behind the work that is being done by Professor Peter Newman and his team at Curtin University Sustainability Policy Institute about a dedicated rail link from Kewdale to the Latitude 32 industrial site, the intermodal terminal there, and then careful evaluation of the Outer Harbour for a container terminal to take overflow container traffic out of the Fremantle port—where we are effectively trying to route a late 20th century freight highway through a 19th-century port and it is simply at or even over capacity.

We understand and I think the community understands that we need to look seriously at the alternatives. We are there, we are at the table and local government is at the table. Mayors from four local councils spoke at that event in Fremantle including Mr Russell Aubrey from Melville, who is pro the proposal. The three mayors from Coburn, Fremantle and East Fremantle spoke up strongly on behalf of their constituents that there is a better way around this.

There are groups that have been involved for more than 20 years in trying to bring the government to its senses. I want to not only acknowledge those from Save Beeliar Wetlands, from Rethink the Link, from the Fremantle Road to Rail group and those who have been at this for a really long time but also the Maritime Union of Australia—those who actually operate the equipment in the harbour, load and unload the ship and keep our town moving.
They know that the sale of the port, the proposed privatisation of the port of Fremantle, is key to what is being done here—one last massive taxpayer funded binge to enable more rapid freight transport into the port before it is sold off. And I also want to acknowledge groups like FERN, the Conservation Council of WA, the Urban Bushland Council and particularly the Aboriginal mob and people without significant resources who are nonetheless speaking up for country.

These are the people collectively who are training up for nonviolent direct action. There are people already occupying some of the houses that have been resumed in Palmyra who are pretty well dug in. It would be an enormous mistake to malign these people as professional protesters. These are ordinary householders and residents who did not want this concrete container pipeline blasting through quiet suburban neighbourhoods and who have suddenly found themselves on the sharp end of resumption notices as their properties are compulsorily acquired. If the state government maligns and misrepresents these people as professional protesters, you will misunderstand the motivation, you will misunderstand the message, you will misread the resourcefulness and, most importantly, you will misread the resolve because the Perth Freight Link is not going to get built.

**Workplace Relations**

**Senator BILYK** (Tasmania—Deputy Opposition Whip in the Senate) (19:55): I was very pleased to have the opportunity to participate in Labor's Fair Work Taskforce hearings held in Launceston on 29 June—Senator Polley, who is in the chamber, also attended that hearing—and in Hobart on 30 June. I was invited to join the Fair Work Taskforce by the shadow minister for employment and workplace relations, Brendan O'Connor, and it has been a very worthwhile initiative.

Before the last federal election, the Liberals promised not to touch workers' employment conditions. Mr Abbott stressed, 'Workers' pay and conditions are safe with us.' As Leader of the Opposition, the now Prime Minister, Mr Abbott, said that Workchoices was 'dead, buried and cremated'. But there is a massive gulf between the government's rhetoric and their actions when it comes to the reintroduction of Workchoices.

Consider the Abbott government's record to date on workplace relations. The Commission of Audit recommended radical changes to current entitlements, including cutting the minimum wage in real terms every year for a decade. The government has introduced a number of fundamentally unfair workplace relations bills, which seek to cut hard-won workplace entitlements and conditions. And the government's Productivity Commission Review has put working conditions on the table, particularly penalty rates. We can see from the Productivity Commission's draft report that they are being used as a proxy for the Abbott government's assault on penalty rates.

And let us not forget the government's attack on unions. After all, it is Australia's trade unions that are the main obstacle to the government's campaign to cut the pay and entitlements of working Australians, and they do not like it. I spoke last year on a bill that was designed to tie up registered organisations, especially trade unions, in so much red tape that they would not effectively be able do their job.

A similar bill was introduced into the Senate, which I spoke on earlier this year, and I am pleased neither of these bills have passed the Senate. However, we now see the third iteration
of this bill on the Notice Paper this week. We have said again and again that these bills are not about transparency, which is the government's line on this issue, but they are about silencing unions and that is exactly what the government intends to do, despite the fact that many hard-working union members have paid money for effective representation. I should also mention the government's expensive political witch-hunt in the form of an $80-million royal commission into trade unions.

Senator Polley: What?

Senator BILYK: Yes, $80 million, Senator Polley. And that $80 million could have been used in so many other ways. It could have been used to support the child abuse royal commission or to improve Tasmanian schools or Tasmanian health services, for example.

Labor formed the Fair Work Taskforce so we could give people, particularly workers, an opportunity to talk about how the Abbott government's attacks on jobs, wages and conditions will affect them. It has also been an opportunity for a conversation about what the government could be doing to create the high-skilled jobs of the future by investing in skills and training, infrastructure, innovation and entrepreneurship.

Over the two days of hearings in Tasmania, the Fair Work Taskforce heard from: workers in aged and disability care, retail and manufacturing and about the importance of penalty rates to them and their families; university academics about the impact of casualisation on their job security; a worker in the community services industry about how the way grants are administered is driving down wages and threatening job security; workers in the Australian Public Service about how a freeze on recruitment in their agency has put extraordinary pressure on them to deliver outcomes; and workers in the maritime industry about the threat of foreign flagged and crewed vessels to their job security, and Australia's marine safety and environment.

The conversations we had were very insightful, and I will outline some of these in detail. On the subject of penalty rates, we heard from workers across a variety of industries. For most of these workers, the penalty rates component comprised about 25 per cent of their pay, but they relied on that extra pay to get by. The retail workers spoke to us about how their penalty rates gave them enough pay to afford luxuries for their families. The luxuries they referred to were not a holiday, a house extension or a better car. They were actually talking about weekend sport for the kids or going to the cinema. To them, that is a luxury. One worker actually said that going to McDonald's for dinner from time to time was a luxury for her family—

Government senators interjecting—

Senator BILYK: Mr Acting Deputy President, I would ask you if you could ask those on the other side to keep their voices down. This is a very important issue, and people out there in radio land are actually listening.

The ACTING DEPUTY PRESIDENT (Senator Edwards): Thank you, Senator Bilyk, but I will administer the chamber.

Senator BILYK: I really wish you would.

The ACTING DEPUTY PRESIDENT: I have asked for order. Thank you.
Senator BILYK: Another worker said she struggled to get by so much that she once had to borrow money from her 11-year-old daughter to pay her family's internet bill.

In addition to the financial consequences of cutting penalty rates we heard from those in the aged and disability care sector that cutting penalty rates would make it extremely difficult for them to attract skilled workers, particularly those who would cover night shifts and weekends. Also on the subject of penalty rates we have recently seen a draft Productivity Commission report put out which talks quite extensively about penalty rates. Labor will be carefully considering the draft report; however, we will not support a two-tiered penalty rate system that would leave millions of Australian workers worse off.

We say the government should allow the independent umpire to make decisions around penalty rates. The evidence the Fair Work Taskforce has heard during its hearings provides a substantial case for not cutting penalty rates for workers in hospitality and retail, and the Abbott government must immediately rule this out.

Yet another interesting story we heard was from a worker in the community services sector who told us about the uncertainty that was created by the government's approach to contracting. Because many government contracts to the sector are awarded on a cost basis, many of the workers are accepting lower and lower salaries. The sector is now struggling to attract skilled workers, and some of those left in the sector have skills and experience such that they could attract about twice the pay in the public service. These are workers who are working with some of the most vulnerable people in the Australian community—the people on low incomes and those experiencing homelessness, mental health issues and family violence. Because of the short term and competitive nature of many of the contracts, often community sector organisations start to make progress with their clients, only to lose the contract and have to withdraw the service. There are services that are investing thousands of dollars and hours into preparing grant and tender submissions—time and money they could be spending on serving their clients.

The uncertainty of future funding is putting a lot of stress on staff, and this leads to absenteeism. There was one service in particular that, at the time of the hearing, had its contract due for renewal at the end of the financial year, and the workers had no idea whether they would still have a job in the next two days.

Another discussion I found very interesting was with the seafarers from the Maritime Union of Australia. One of the greatest threats to their industry and job security is from foreign-flagged and foreign-crewed vessels. One seafarer who used to conduct inspections of vessels for the International Labour Organization said that 80 per cent of foreign crews were being paid below ILO standards or not at all. One particular ship he inspected had a crew that had been at sea continuously for 18 months. They had no idea when they were going home, and the crew's on-board food supplies were so inadequate they were fishing for food.

Flag-of-convenience vessels are not just a threat to the conditions and employment security of Australian seafarers. They also pose threats to our maritime safety, environment and security. For example, Australian seafarers need a security clearance in the form of an MSIC card to enter Australian ports, yet foreign crews can walk onto Australian ports with no security checks whatsoever. In 1996, Australia had 11 Australian-crewed fuel tankers operating around its coast. Now there are only two.
These were just a few of the many conversations we had over the course of a few days with several dozen workers. But we know that what the Liberal-National coalition will try to do is to cut these working conditions. We know that because it is in their DNA. Workers know that it takes a Labor government to stand up for their rights and conditions.

I would quickly like to thank the chair of the Fair Work Taskforce, the member for Bendigo, Lisa Chesters, for coming to Tasmania to chair the hearings; and the secretary, Senator Chris Ketter, for his participation. The shadow minister for workplace relations, Brendan O'Connor, also participated in the Launceston hearing, and I thank him for setting up the task force and for inviting me to be part of it. I thank my other colleagues who participated—including, the member for Franklin, Julie Collins; Senator Polley; and Labor's candidate for Bass, Ross Hart.

The Fair Work Taskforce is continuing its hearings throughout Australia. So far it has also visited Melbourne, Geelong, Springvale, Alice Springs and Darwin. In addition to the hearings, the Fair Work Taskforce welcomes written submissions. Anyone can make a submission by emailing fairworktaskforce@alp.org.au. I am looking forward to seeing the task force's final report. If the stories I heard over the two days in Hobart and Launceston are anything to go by, I am sure it will be most insightful.

Environment

Senator RICE (Victoria) (20:05): When we were last in this place, less than two months ago, we saw the introduction of one of the most appalling pieces of legislation I have seen in my time as senator. At a time when all the science tells us we have to be reducing our reliance on fossil fuels and encouraging the clean energy industries of the future, the Abbott government cut the renewable energy target and waged an unprecedented attack on the wind and solar industries. On top of all that, we saw a wolf dressed up as lamb as the burning of wood from native forests for energy was classified as 'renewable'.

Take a moment to think about what that means. Our ancient forests, which take an instant to destroy but hundreds of years to grow back, have been put in the same category as the endless energy we get from wind and the sun. By grouping them together, the government has ensured less certainty for truly renewable energy industries and ignored everything we know about the values of our native forests. When the government is wasting billions on its Direct Action policy, this will dirty the air we breathe, deplete our carbon stores and increase the carbon pollution which causes climate change. When the government is pouring half a billion dollars into new dams, this will destroy one of the greatest assets we have in ensuring the quality and the quantity of our water supply. And when the government is trumpeting its attempts to save some of our most precious animals, including Victoria's faunal emblem, the Leadbeater's possum, this will ensure the destruction of much of their remaining habitat.

The government assures us that the environmental impact will be minimal. They claim only 'waste' of timber offcuts, branches and bark will be burnt. But let us be under no illusion that this is 'waste'. This waste is 80 to 90 per cent of the logs that are removed from native forests. Native forest logging in Australia over the past 40 years has been dominated and driven by the production and export of large volumes of low-value woodchips and this market has crashed. With ample evidence that industrial scale clear-fell logging is completely incompatible with forest protection, the obvious thing to do is to take the opportunity to wind back logging of our native forests. Instead, including wood from native forests in the
renewable energy target aims to find a new market for this so called ‘residual wood’ and subsidise it to boot.

Since we were last here, further information has come to light about what these markets could be. Uses being looked at include propping up dirty coal-fired power stations like Hazelwood in Victoria by ‘co-firing’ it with massive volumes of wood. The native forest logging industry is Tony Abbott's broken down car. Its dirtier, it costs more to run and everyone else has moved on to the next model. But by hook or by crook he is determined to jumpstart it and get a few more miles out of it. How have we allowed ourselves to get to this point?

For the past two decades, our native forests have been managed according to 10 regional forest agreements, or RFAs, between the federal government and the states. RFAs were meant to provide long-term forest management to protect these complex ecosystems and to ensure the viability of threatened species living in the forests, as well as governing the production of timber from these forests and maintaining jobs. They have failed in every regard.

You just have to look at the five regional forest agreements in Victoria. These are managed by the state-owned logging business VicForests, which oversees the destruction of 3,000 hectares of native forests every year, receiving millions of dollars in taxpayer subsidies to do so. Regional forest agreements do not reflect what we know about climate change today or that Australian forests are the most dense carbon stores in the world. Industrial logging in native forests has had its day. It has failed to protect the environment and failed to protect jobs.

The industry is already well on the way to relying solely on plantations. Eighty-five per cent of wood produced in Australia now comes from plantations, but the renewable energy target will enable the old industry to shift its focus from woodchips to wood energy and keep its head above the quicksand for just a few more moments. It cannot last.

Since then, much more information has come to light about the disastrous potential of this destructive policy. Thanks to an investigation by Radio National, we know that there was a brief prepared for environment minister Greg Hunt by scientists Andrew Macintosh and Professor David Lindenmayer which outlined the carbon credits that could be earnt if we put an end to logging in the mountain ash forests of the Central Highlands in my home state of Victoria. It showed that closing down native forest logging in the area would have a carbon abatement of three million tonnes every year. Based on the price the government paid earlier this year of $14 a tonne, that would be worth more than $40 million every year. This same scenario plays out around the country and would be worth billions of dollars over coming decades. But just today, we have information that the environment department was not aware of this report. It has been sitting on the minister's desk, gathering dust.

We have also discovered that the owners of Hazelwood in Victoria's Latrobe Valley—our oldest and dirtiest coal-fired power station—have been in secret talks with VicForests to reinvent the plant by burning wood from native forests in East Gippsland. GDF SUEZ—the owners—have even confirmed they have been conducting trials. This move has not been about encouraging clean energy; it has been about giving a lifeline to out-dated and dirty industries. And it is destroying our native forests in the process.
Last month I met with forest campaigners in Western Australia, who were concerned about the ongoing logging of precious native forests there and the prospects of logging native forest with the wood being burnt for energy. Since 2008, local conservationists have been fighting a proposed wood biomass plant in Manjimup in the heart of the south-west forests of Western Australia. The planning application for this plant claims the fuel source would be plantation waste from blue gum and pine plantation wood. However, locals have good reason to believe the plant will be fed by native forests because the distance from the plantations makes the plantation feedstock unviable. The latest forest management plan has two tiers of estimated yield, one being much larger than the other, a significant increase on current logging debate pending on whether new markets are developed. The Manjimup shire president said during the debate on the renewable energy target that the proposal could not progress until the RET was agreed upon. This further supports concerns that the plant will rely on native forest wood, since plantation waste was already classed as 'renewable'.

The logging that is occurring in south-west WA is incredibly damaging. They are not even maintaining a pretence of forests regrowing back to anything like they were before they were destroyed. In fact, many areas of logged forests are declared as national park after the devastation of logging—trashing the whole concept of national parks.

As well as being deeply concerned about the damage being done to these forests, the passionate and committed campaigners I have met are very worried about the prospect of massive fines and criminal convictions for taking action to stop logging. The proposed new anti-protest laws which they are facing reverse the onus of proof, carry maximum penalties of two years jail or a $24,000 fine and cost recovery for any police response. This is an appalling situation to put people in who are protesting to protect our natural heritage.

So where do we go from here? First of all, this backwards decision has to be turned the right way around. The Labor Party have promised to reverse the decision, but there are already rumblings of discontent among their Tasmanian representatives. Labor must stay true to their word. You can rest assured that the Greens will do everything within our power to keep them to it.

Importantly, we need to move to the full shift of the forestry industry out of native forests and into plantations. The transition is already well underway. Eighty-five per cent of the wood products that we produce in Australia already come from plantations. We need to get that to 100 per cent. We need to start with a full-scale review of our regional forest agreements. But, in a characteristically backwards step, the Abbott government announced plans in April to just roll over the Tasmanian RFA—an ominous sign of things to come around the country. They have ruled out a full-scale review, but that is exactly what we need. We must not commit to another 20 years of disaster by rolling over all RFAs. We have to talk about how we can best manage these resources to safeguard our future. This means facilitating, not hampering, the shift of logging out of our native forests. Native forests belong to the people. Now is the time to take them back.

Aged Care
Dementia

Senator POLLEY (Tasmania) (20:15): I rise tonight to speak of the chaos in the aged-care sector in Australia caused by this shambolic government. In government, Labor delivered
the biggest reforms to aged care and ageing in a generation: a 10-year strategy known as the Living Longer Living Better aged-care package. It really concerns me that this government has not been able to oversee fully developed aged-care policies, legislated with bipartisan support, and formulated with broad public and sector-wide support.

What we have here is a leadership issue. Labor understood the level of leadership required to oversee the rollout of such a significant reform and put a senior cabinet minister in charge. Unfortunately, the same cannot be said for the Abbott government. The Prime Minister dumped two of the biggest social reforms, Living Longer Living Better and the NDIS, onto an assistant minister. What does this tell you about the regard and seriousness given to aged care and services? No direct cabinet representation. No direct decision making. No longer a priority. As I said, I am concerned for the future of the aged-care reforms. This government have not had their eye on aged care since day one. There is only one issue they are ever passionate about, and that is cuts. Does the assistant minister understand that the government's constant tinkering, short-cuts, last minute decisions and constant cuts give the impression that the government have no idea what they are doing when it comes to aged care.

The same could be said for the way in which the Abbott government has managed dementia care and services. This government's poor record in dementia care is highlighted by (1) the shocking way that it handled the Dementia and Severe Behaviours Supplement, which was a problem created by a lack of leadership and vision; (2) the short-sighted and experimental announcement of their 'flying squads' to deal with residents with severe behaviours; and, (3), in an act that is beyond belief, the government asking tenderers for the 'flying squads' to come up with a model for how it might work.

Dementia is not a disease reserved for older Australians. Approximately 343,000 Australians are living with dementia and almost 30,000 have younger onset dementia. Since the Abbott government came to power, dementia care and risk prevention programs have been defunded, while carers have been overlooked and ignored. One such program is Alzheimer's Australia's Younger Onset Dementia Key Workers program. It will not be funded beyond June 2016. There at least 25,100 people under the age of 65 years living with younger onset dementia who rely on this life-changing program. This is a program designed to ensure that those with younger onset dementia, along with their families, carers and sometimes employers, receive the support they need. As of June 2016 this program will be rolled into the NDIS with no guarantee—that this money will remain reserved for people with dementia or be used in the general disability area.

Through all of these nasty surprises it is evident that the Abbott government has no real plan to deal with dementia, which is now the second-leading cause of death in Australia. The Abbott government has effectively abandoned those living with dementia, abandoned their families, abandoned their carers and abandoned our communities. The government's dithering, delays and disarray are being felt by aged-care workers, providers, older Australians and their families. We need an age-friendly and dementia-friendly government. We need an age-friendly and dementia-friendly government because, in the next 20 to 30 years, 25 per cent of our population will be aged 65 years and over. More of us will live to be 100. We will see an increase in dementia. Almost one million Australians will be living with dementia by 2050.
Dementia is already the leading cause of death in Australia and by 2016 dementia will be the leading cause of disability in this country. This is why dementia must be treated as national health priority. One of the biggest challenges facing the aged-care system is dementia. We need a workforce equipped and trained effectively and a system that supports Australians living with dementia and their families. Our ageing population, the alarming growth in dementia and a significant shortage in the aged-care workforce cannot continue to be ignored by the Abbott government.

All too often, the ageing of our population is painted as a crisis. I believe our ageing population will present some of the greatest challenges of this century, but it will also present some of the greatest opportunities of this century. The government has a responsibility to leverage these opportunities in order to meet the needs of older Australians now and into the future.

Labor takes the ageing of our population seriously, and we demonstrated that when we were in government last. Consultation has always been one of our strengths. Last month we met with key stakeholders and experts in aged care as part of the Tasmania task force. We held a roundtable and discussed the future needs of aged care and the services that are going to be demanded in the future. Conversations called for a coherent aged-care workforce strategy, ensuring this nation has the right workforce to meet the needs of older Australians now and into the future.

There is an opportunity for Australia to have a world-class aged-care system, equipped and supported to tackle the increasing demand and complex needs of our ageing population. We need a world-class workforce to do this. As our population ages, the pressure and demand for appropriate aged-care services will only increase. The aged-care sector will be one of the top growth sectors over the next decades. We need to see a tripling of the workforce in the next 30 years.

In my home state of Tasmania, and Senator Bilyk would understand, we need almost 5,000 more aged-care workers over the next 20 years just to keep up with demand. We need to make aged care a career of choice. We need to attract and develop the right workers. We need to ensure that those who work in aged-care services to support older Australians are renumerated decently and recognised appropriately. We need a strategy to deal with the shortages of workers in the aged-care sector and to make sure we have the right workforce to care for our older Australians into the future.

This strategy was promised by Senator Fifield over a year ago and we are still waiting for it. To date, the only thing the Abbott government has done for the aged-care workforce is to take an axe to the $1.2 billion aged-care workforce supplement, which was designed to deliver better wages, better conditions and a better career path for some of Australia's lowest paid workers; and to cut $40 million in the aged-care workforce measures without any strategic follow-up or investment. Tasmanians and their carers will be placed at risk unless the Abbott government addresses the workforce issues immediately.

This government is the reason why our aged-care system is not world class and this government will turn us into an international laughing stock. The Abbott government has done a great job rubbing salt in the nasty wounds left from last year's budget. It is time the Abbott government took responsibility for the mess it has created. We are all looking forward to seeing some leadership from the government. We know the Prime Minister said back on 9
February—not much of a birthday gift for me—that there was going to be a new start, that
good government would start. I know I have got older, but we have been waiting and waiting
and we still have not seen that good government.

When it comes to the aged-care sector, the mystery stocktake and the workforce strategy
that were promised by the assistant minister have not been delivered. There is no news of it. I
can tell you that the Australian people and those on this side will not be holding our breath
because we know those opposite do not give aged care the priority it deserves. If they did,
they would have a cabinet minister focused on the issues of the ageing population in this
country. It is a huge challenge. This government has failed the Australian people.

Royal Commission into Trade Union Governance and Corruption

Health Funding

Senator LAMBIE (Tasmania) (20:25): If corruption and crime was not having a serious
impact on Australia's political system then Royal Commissioner Heydon would never have
described his secret interim report as containing information which is defined as:
… a grave threat to the power and the authority of the Australian state …

And today the Senate has been shown why this Liberal and National government cannot be
trusted to clean-up all the corruption that is stinking up and rotting our state and federal
political systems, especially the corruption and crime in our building and construction
industry. If the Abbott government was serious about tackling crime and corruption in the
building and construction industry and lowering costs, they would have moved very quickly
to deregister the CFMEU, and perhaps other unions, just as the Liberal and then Labor Party
combined in the 1980s to finally deregister a similar union, the Builders Labourers Federation
or BLF.

Instead, the Abbott government has used the CFMEU’s obvious links to outlaw bikie
gangs, standover merchants, hit men and criminals to justify the establishment of a royal
commission, whose greater purpose is to target the Labor Party of Australia, while it appears
to ignore or actively cover-up corruption and the effects of organised criminal activity within
the Liberal Party.

I put this simple question to the Australian people: how can a distinguished judge and royal
comissioner, Commissioner Heydon, gather secret evidence from witnesses fearing for their
lives and described as showing:
… a grave threat to the power and the authority of the Australian state …

without both the Liberal and Labor parties being suspects?

Does the Liberal Party think that the Australian people are stupid enough to believe that the
Labor Party is the only party who has governed Australia which has been influenced by
organised criminals and standover men? Of course, the Liberals and the Nationals have been
associated with criminals just as bad as the criminals associated with the Labor Party. You
only have to look at a recent ABC Four Corners report 'The Mafia in Australia: drugs, murder
and politics' to understand that there is strong evidence to show that sophisticated, organised
crime has infiltrated Australian politics at the highest levels by cultivating people in positions
of power from both sides of politics.
I have written a number of letters and received some replies from Royal Commissioner Heydon to try to gather the important and relevant information that he has. I need to make an informed vote on the government's ABCC legislation, which is designed to tackle union corruption. I am deeply disappointed by the refusal to date of Royal Commissioner Heydon to share with me and other crossbench senators all of his reports and information on criminal activities and corruption in Australian politics. Specifically, I refer to his secret corruption report that he has shared with the Prime Minister and his staff, Senator Abetz and his staff, all the premiers of Australia's states and their staff, but has refused to share it with the crossbench senators. The information in the Heydon royal commission secret reports is vital to the decision-making process that all senators in this chamber must take in regard to the ABCC legislation.

The premiers of Australia do not have a vote in this chamber, yet this royal commissioner has allowed them access to this confidential information—information that should also be shared with senators of this chamber. I consider it an absolute insult to the intelligence and integrity of all senators in this chamber, especially crossbench senators, that Royal Commissioner Heydon has chosen to refuse access to his secret report, because he does not trust me or other senators of this place with the information, yet he trusts it with state premiers and their staff.

If Royal Commissioner Heydon fails to release his secret report to senators, Australians could be justified in saying that evidence showing associations, links and influence between criminals and political parties—including the Liberal and National parties—is being covered up or not being acted on. Justice must not only be done; justice must be seen to be done. If Royal Commissioner Heydon fails to release his secret report to senators, Australians could be justified in saying that his reliability as a royal commissioner could be called into question. The parliament is the ultimate body for review and scrutiny of these strongly interconnected matters. I am of the view that, by withholding this vital information from senators, Commissioner Heydon has interfered with my free and fair performance as a member of this parliament.

I believe in public health. I value the doctors and nurses who work long hours in our public hospitals, often sacrificing their own health to help save our lives and to protect our families' wellbeing. I saw it first-hand when I was sick and trapped on welfare. I relied on the doctors and nurses who work in our public health system to save my life and the lives of my family and, now that I am healthy and a senator in federal parliament, it is my turn to give back and to speak out for our public health medical professionals who have been told to shut up or else they will lose their jobs.

Tasmania's public health system is in extreme crisis and is dangerous. Every day our media uncovers tragic examples of ordinary Tasmanians whose lives are at risk because they are forced onto extraordinarily long public health waiting lists or are denied timely medical care because our hospitals are full.

The latest Tasmanian state Liberal government's health white paper is nothing more than a clever whitewash. It is political propaganda. The Liberal state government has used a slick advertising campaign—at taxpayers' expense—to cover up their plan to downgrade and close two public hospitals in Tasmania's north-west: the Burnie Regional Hospital and the Mersey Community Hospital. In doing so, they will decrease even further the availability of acute
care public hospital beds and associated medical professional support for people in the areas of Devonport, Ulverstone, Burnie, Wynyard, Smithton, Stanley, Woolnorth, Zeehan, Strahan, Rosebery, Queenstown and surrounding areas. All signs in the health white paper indicate that future conservative governments will consolidate Tasmania's tertiary public health care into two public hospitals: one at Launceston and one at Hobart.

A Tasmanian commission of health report released last year shows that our public hospital bed per 1,000 head of population ratio was at 2.35. This compares with the national average of 2.6, as reported by the AMA. If Tasmania were to increase the number of fully funded and resourced public hospital beds to match the Australian average of 2.6 public beds per 1,000 head of population, it would mean that, with a state population of about half a million, the number of public hospital beds should be 1,333.8. Given that last year's commission of health report shows that there is only a total of 1,188 public beds available for sick Tasmanians requiring medical treatment in a hospital, that means that the Tasmanian government would need to open another 145 to 146 public hospital beds just to catch up to the Australian mainland average. It is estimated that each funded and resourced public hospital bed costs about $1 million each year to run, so in order to provide the same level of health care as the mainland Tasmania needs to invest $146 million extra into its annual Tasmanian health organisations budget of $627 million, give or take—an increase in annual funding of 23 per cent.

A question: who will increase the number of Tasmania's funded and resourced public hospital beds by 146 so that we can at least catch up to the mainland average bed numbers? The answer: not the Tasmanian Liberals, because their health white paper is nothing but a sly, slick plan to eventually close down all public beds in the north-west of Tasmania and consolidate acute care to two hospitals—Launceston hospital and the Hobart general hospital—which, by the way, are operating at 100 per cent capacity and are in crisis as well. Given the criminal lack of funded, resourced, staffed acute care hospital beds—and that there is no plan to address that fundamental problem—it will come as no surprise to hear that Tasmanians are: (1) waiting four times longer than other Australians for elective surgery; and (2) dying, on average, between one and two years earlier than mainland Australians.

Tonight I call on the Liberal state government to stop the lies, propaganda and madness contained in their health white paper and to come up with a plan which guarantees that public health survives in Tasmania's north-west, instead of the bureaucratic bloody rubbish which guarantees the gradual destruction of Tasmania's public health system.

**Infrastructure**

Senator MADIGAN (Victoria) (20:35): We all know that you must spend money to make money. However, when it comes to investing in the future of our nation, our current government is reluctant to spend the money needed to ensure future prosperity. In the lead-up to the election the Prime Minister told us he would be 'the infrastructure Prime Minister'. He also repeatedly pledged to build the roads for the 21st century. After the election we were told that Australia was open for business. Yet under this government infrastructure spending has been dismally low, while the government has repeatedly ripped money out of research and development. These are two critical drivers of productivity and, therefore, are a critical key to maintaining economic growth and living standards as our economy transitions from the
construction phase of the resources boom while absorbing the shock of reduced commodity prices.

In my home state of Victoria the government has played politics with road funding, refusing to honour its pre-election commitments to match state spending on roads dollar-for-dollar due to a political disagreements with the recently-elected Andrews Labor government. This is helping no-one; especially not Victorian voters.

The future of Australian manufacturing depends on our ability to innovate and this requires research and development. This is an absolute no-brainer and yet it is something the government appears unable to grasp. This week the government is seeking to pass legislation that would reduce tax concessions available to companies that spend money on research and development. This is on top of cuts to CSIRO spending. Given the government's decision to euthanase the car industry—an extremely questionable decision, I might add, given it was taken while the dollar remained at near-record highs—spending on research and development has never been more important. The government's cuts to research and development are justified by reference to our current fiscal circumstances. Indeed, structural adjustments are now a necessity. However, the government's early rhetoric of a 'budget emergency' was alarmist and self-defeating.

The only way back to surplus is through growth. While we transition from the mining boom we cannot achieve growth without productivity gains. This requires research and development, and, by making cuts here we are jeopardising our future prosperity. The final report by the Harper review, commissioned by the government to look at our competition law, said this:

… optimising our national interest will require wise and efficient investment in and use of our existing and planned physical and electronic infrastructure, and policies that maximise the return on our natural resources.

I could not agree more.

The current government is substantially motivated by a belief in markets. It has told Australians that its economic management would see the creation of a million new jobs over its first term. Infrastructure spending and creating the right environment for companies to innovate ought to be its bread and butter. Other instances in which the government has failed to support the national interest have been less surprising yet just as disappointing. I am thinking about how difficult it is for Australian manufacturers to be awarded government contracts and how low a priority it is for government agencies to purchase Australian-made goods, like paper. I think about how the past government was only too happy to sit on its hands when it came to advancing naval shipbuilding projects. It was also that government that damaged Australian industry through ill-conceived taxes that achieved little beyond the damage they did to our manufacturing sector.

One does not have to look far to look at oil refineries in this country. Quite frankly, we are lucky to have them, yet we ignore the benefits of being able to value-add to our natural resources. For example, the crude oil which is refined in Australia is turned into fuel; however, it is also turned into bitumen, which is in turn used for our roads.

In Australia, we have fantastic universities that produce world-class engineers. Yet when it comes to the idea of building submarines in Australia, something which we have done before, we doubt ourselves, we talk ourselves down and we think up every possible excuse to not
help ourselves. We as legislators are meant to be helping the country by creating an environment where work is plentiful. Spending money wisely is the only way to make this happen. This ensures tax dollars are spent creating jobs rather than providing people with a Centrelink payment.

**Gun Control**

**Senator McKENZIE** (Victoria) (20:41): I rise to briefly comment on the recent decision by the Australian government to temporarily suspend the importation of the Adler A110 lever-action shotgun. I found this action quite disappointing, not for the action in itself but for the fact that the decision was taken without any consultation with the industry that provides over $1 billion to our economy nationally and without any consultation with the 800,000-plus law-abiding recreational firearm owners here in this country—recreational shooters. We have been at pains to ensure that the rhetoric around this decision is not associated with terrorism and is not targeting law-abiding gun owners, and I am not sure if we have got that public discussion right. We need to ensure that when we are speaking in the public domain we are confidently and consistently talking about illegal guns, criminal gangs, criminal elements and the importation of handguns and firearms that are causing damage on our streets—not law-abiding firearm owners.

I have repeatedly stressed to those decision makers that our law-abiding gun owners are not terrorists. Our guns are not used by terrorists, and it would be highly unlikely, if not impossible, for terrorists to get their hands on these guns. We are very, very careful with how we store our guns in this country, because we know that if we get it wrong we do not get to keep our gun licence. And that is a real problem.

What makes the decision to suspend the importation of the Adler A110 all the more difficult to accept is that the recreational sporting shooters are formally locked out of the review process that is currently underway to look at the National Firearms Agreement. Out of the Martin Place review there was a recommendation to look at technical aspects of the National Firearms Agreement, and that has been sent off to a formal committee to examine. It is disappointing that recreational sporting shooters and, indeed, the greater industry, have been locked out of that formal process. Whilst I do commend the minister for informally consulting with those user groups, I think we could probably make better use of their expertise and experience and ensure that our policy decisions in this space take into account people's businesses, the activities they conduct with their families on a regular basis and, indeed, our heritage, if they had a seat at the table. I think they would be able to explain the impact of some of the decisions that are made: the impact they would have on their turnover as business owners, on their capacity to run sporting events—particularly in regional Australia but there are many shooting ranges within city environs—and, indeed, on their ability to train the next generation of Olympians. That requires these people to own and use firearms appropriately and safely. We have some of the most stringent gun laws in the world. We need to be proud of that, not seek to denigrate those who live by them.

The sad fact remains that the Firearms and Weapons Policy Working Group, charged with reviewing the NFA, comprises federal and state police commissioners and other bureaucrats. Not a single shooter or key industry group is represented on that working group. I think that is part of the issue. I would like that to change. I have been public about calling for that change so that the expertise of the recreational shooters and wider industry can be fed formally into
the process of the NFA review. My experience within the Senate inquiry into illicit firearms, having various state police officers in front of the committee, tells me that a process that is informed by only one sector of the community or one sector of the debate does not lead to the best policy outcome. Indeed, we received direct evidence that any gun, illegal or legal, was an OH&S risk for police officers. I understand that on one level, but an illegal gun in the hands of a criminal on the streets of Western Sydney and a legal gun appropriately stored by a farmer in Leongatha involve completely different risk assessments. That is not how we are dealing with it.

We need to acknowledge the legitimate need for a firearm for, in particular, those of us who are from regional communities—from farmers using a firearm to humanely cull invasive pests or as part of animal husbandry, to those who enjoy shooting as a legitimate recreational pursuit, through to our highly skilled sporting shooters who compete every weekend right across this country. There is a legitimate need for those of us outside metropolitan areas to access firearms. We are not terrorists; we are not murderers. We have been deemed fit and proper to own a firearm and we store them correctly, and we should be treated accordingly.

Over the coming days, weeks and months I will be continuing to urge my government to start a formal consultation process with key industry stakeholders as well as sporting and recreational shooters. I will fight to ensure that our key industry bodies are given a seat at the table—direct contact into this process, which will be ongoing over the next six months, reviewing the National Firearms Agreement to be presented at a COAG meeting in early 2016. I encourage hunters and shooters to participate in the technical review through their various representative bodies to promote the environmental, economic and social benefit that participation in recreational shooting and hunting gives to this country.

A calm and rational discussion on this issue can be had. We have the most stringent firearm regulation framework in the world. But, after almost 20 years of its being in place, we still cannot carry a firearm from one state to another; we cannot seamlessly participate in our sport without a whole lot of red tape. There are so many ways in which this issue needs to be harmonised between the states to make it easier while keeping the safety requirement. We cannot collect in a meaningful way data that we can use to actually prove certain things that we know. So, I think there is a lot of work to be done around ensuring that the National Firearms Agreement is implemented in an appropriate way that decreases red tape and continues our government's commitment to small government and personal freedom.

**Malaysia**

**Senator XENOPHON** (South Australia) (20:48): Events are moving fast in our neighbour Malaysia. I have spoken several times in this place since 2012 about how successive Australian governments have simply not been interested in encouraging democratic standards in our region with one of our most significant neighbours, seemingly turning a blind eye to blatant gerrymandering, voter fraud, intimidation, and a lack of a free press.

Democracy in Malaysia is currently on life support. The outrageous five-year jail term handed out this February to the country's opposition leader, Anwar Ibrahim, on trumped-up charges of sodomy marked a new low for this troubled country. Anwar is recognised as a political hero in our region if not in Australia. He was an outstanding finance minister and deputy prime minister. He shepherded Malaysia through the 1997 Asian financial crisis. He
fell afoul of then Prime Minister Mahatir Mohamad, no doubt because of his strong
democratic values and his efforts to rid the ruling UMNO party of corruption. He is a
lightning rod for cleaner elections and works with the Bersih movement—‘Bersih’ meaning
clean, in Malay—which must eventually prevail against the stale, corrupt and increasingly
repressive regime of Prime Minister Najib Razak.

I am proud to count Anwar as a friend. On the day he was sentenced he rang me twice from
the courthouse. On the second occasion, when he was about to be led into the courtroom for
sentencing, he begged me that Australians not forget the plight of the Malaysian people. He
has been in solitary confinement, his health has been poor and medical treatment has been
denied or delayed. I have no doubt that Anwar was jailed to silence him ahead of what the
Malaysian regime knew would be a torrid period of scandal and controversy. The second part
has turned out to be true, but Anwar has not been silenced. In the past month, Prime Minister
Najib and his party have been rocked by a scandal that, if it had happened in any true
democracy, would have led to the fall of the government within days. That was not so in
Malaysia. As revealed in *The Wall Street Journal* last month, Malaysian anticorruption
investigators have found that payments of nearly US$700 million from shady overseas
sources into the government's development fund, known as 1MDB, were redirected to Najib's
personal accounts and spent on election campaigning in the rorted 2013 election. Much of the
funds remain unaccounted for.

Incredibly, rather than resign in disgrace, Najib's regime called *The Wall Street Journal*
article 'political sabotage' and had the country's chief prosecutor, called the Attorney-General,
sacked in blatant breach of the Malaysian constitution. My sources in Malaysia suggest that
the Attorney-General was sacked on the eve of laying charges of corruption against Prime
Minister Najib.

Incredibly, Malaysian police have been raiding anticorruption investigative bodies to
prevent further revelations emerging. The scandal continues to grab headlines and cause deep
consternation around the world. Amazingly, Najib vigorously denies any wrongdoing. He
remains at the helm of the regime, along with his wife, Rosmah Mansor, known for her luxury
shopping sprees and dubbed by many Malaysians as 'Mrs 10 Per Cent'. But, as an editorial in
*The Economist* magazine on 25 July put it:

WHATEVER the truth of them, the accusations levelled against Najib Razak … have astonished a
country that some had thought inured to scandal.

In desperate moves to shore up his position, Najib recently has sacked four ministers,
including his Deputy Prime Minister, Muhyiddin Yassin. Responding to the revelations from
his tiny prison cell, Anwar penned an explosive column published in *The Wall Street Journal*
just two weeks ago. In it he warns the region that Malaysia was descending to the status of a
failed state, with increasing corruption and sectarianism, race-based privilege, political
repression, a state-controlled media and blatant breaches of the constitution. Anwar warned:

… there is real danger ahead. Middle-income nations like Malaysia—after several decades of economic
mismanagement, opaque governance and overspending—can devolve into failed states.

Anwar set out how in the past 18 months more than 150 Malaysians have been arrested and
many charged with sedition for making public statements criticising the regime. They include
students, academics, journalists, lawyers, politicians and a cartoonist.
And what does the Australian government say or do about this unfolding tragedy? While Foreign Minister Julie Bishop expressed disappointment and raised human rights concerns when Anwar was jailed in February, Australia's position is currently woefully inadequate. In our foreign minister's speech in Kuala Lumpur just four days ago, she lauded our growing defence and trade ties with Malaysia and flattered her Malaysian audience instead of levelling with them. She said:

Our strong economies and stable societies owe much to the robust public institutions and legal frameworks that our parliamentary democracies share.

It might be right for Australia, but it is not right for Malaysia. I have a lot of personal respect for our Minister for Foreign Affairs, but I cannot respect her silence on Malaysia's worsening democratic crisis and the corruption that is engulfing that nation.

In 2012 I joined a fact-finding delegation to Malaysia which examined the electoral system there. The delegation found that elections in Malaysia were open to rorting and vote tampering, and voters were subject to bans on assembly during an unusually short so-called campaign period of just 10 days. Electoral rolls were incomplete and easily defrauded. Sadly the fears I expressed in this place following the 2012 delegation have come true, and the hopes I raised, that Australia would play a role in improving democratic freedoms and elections in Malaysia, appear dashed.

Yesterday, 10 August, was Anwar's 68th birthday. He will be well into his 70s when he is eventually released, if he is released. Yesterday also marked the publication of a powerful joint letter of leading academics and journalists from around the world. Writing in support of the jailed leader and his movement, these experts and writers labelled the trial of Anwar as 'biased and unfair' and condemned the rising political repression in the country. I join them today in calling for the unconditional and immediate release of Anwar Ibrahim, who has been declared a prisoner of conscience by Amnesty International.

Global concern about Anwar and the deteriorating political situation in Malaysia was highlighted this month by United States Secretary of State John Kerry. Mr Kerry told the media he had raised the imprisonment of Anwar during talks with Najib and 'raised concerns about freedom of expression'. As a nation, we must speak out on this. Australia must assert itself on this festering issue. We should have the courage to call a spade a spade, especially to a great friend such as Malaysia. My argument is not with the Malaysian people, for whom I have the greatest respect, but with a corrupt and rotten regime that threatens to destabilise the region.

Why does it matter to Australia? Australians and Malaysians have a long and positive history together. We helped Malaysians fight off a communist insurgency in the 1950s and again in the mid-1960s. More than 300,000 Malaysians have studied in Australia, starting with the Colombo Plan many years ago. Since 2002 more than 90,000 Malaysians have studied here. More than 116,000 Malaysian-born people live in Australia, and many hundreds of thousands of Australians travel to Malaysia, and many expats live there too. Sadly I can no longer travel to Malaysia.

Our government must show regional leadership to say it like it is. This corrupt and despotic regime is closing down media it does not control; it imprisons political opponents; it jails opposition leaders. An opportunity is coming up for Australians to show their support for democratic freedoms in Malaysia. The Saturday night of 29 August will see a series of
solidarity rallies in Malaysia and across the world, organised by Malaysian reform group Bersih 2.0, the movement for free and fair elections in Malaysia. Rallies will take place overnight in Kuala Lumpur, Kuching, Kota Kinabalu and other places, and Malaysians living overseas are planning rallies throughout the world. I look forward to attending one of the rallies in Australia and invite my parliamentary colleagues to do the same.

Many Malaysians are just fed up with the corrupt regime and are saying so. But there are concerns that Najib will become increasingly repressive. The world community must support Malaysians who want to bring about a peaceful return to democracy and the rule of law in Malaysia. My plea, in the week of Anwar Ibrahim's 68th birthday, is for more Australians to get involved and support our Malaysian friends for a peaceful, democratic transition, for a government that is free of corruption, a government that Malaysians can truly be proud of and a government that will enhance, not compromise, the stability of our region.

**Employment**

Senator EDWARDS (South Australia) (20:58): Thank you for jumping into the chair for me, Mr Acting Deputy President Gallacher. I rise to speak about jobs and growth. I just want to make a comment about the earlier contribution of my colleague Senator Madigan. I have a great deal in common with Senator Madigan. Throughout the four years that we have been here, we have been in furious agreement on many things, but I cannot concur—we obviously agree to respectfully disagree—with parts of his contribution in talking about this government's commitment to manufacturing and innovation. That is why I want to talk tonight about jobs and growth, and particularly jobs and growth in my home state of South Australia.

I am lucky to be in this chamber joined by you, Mr Acting Deputy President, Senator Fawcett, Senator Wright and Senator Xenophon, from South Australia. We obviously are acutely aware of the fact that our state has the unenviable honour of hosting the highest unemployment rate and arguably, in some of the areas which I look after in the seat of Wakefield, some of the highest unemployment rates of teenagers, at 44 per cent, that this country has.

Jobs represent a foremost issue confronting South Australia, where, after 13 years—we are in our 14th year of state Labor government—we are experiencing those unemployment levels, as I said, beyond those of any other state or territory. In fact, the South Australian Labor government has steered unemployment to a 15-year high. Not only did the one and only economic strategy it had pinned its entire budget plan on, the BHP Olympic Dam expansion, fail to occur but, two days ago, BHP announced 380 redundancies. The problem with this strategy is that the government actually has no idea of what is happening in its economy in South Australia. To be blindsided by such an announcement just goes to show how far the Weatherill Labor government is from having its hand on the economic levers of South Australia.

While the South Australian Labor government tinkers at the edges with its fantasies of small bars, festivals, Flinders Ranges visits and Kangaroo Island visits for the recovery of the economy, the Abbott government is unveiling a phenomenal economic program which is creating jobs and growth. No matter how the political opponents of this government try to represent it, it is an unprecedented time for Australia and South Australian shipbuilders with last week's announcement. Importantly, employers, not labour market programs, create jobs.
By getting the economic fundamentals right, reducing the red tape and creating confidence in the economy, this government is creating those conditions that are allowing employers to create jobs and the much-needed growth. While in my earlier comments I referred to the high youth unemployment in Wakefield, which just happens to be a seat which I live in and one that I spend a lot of time in and is held by Labor's Nick Champion—he spends his time in opposition publicly reminiscing about all the imaginary funding commitments that Labor never actually made in the seat of Wakefield—this government is actually creating jobs and growth in Adelaide's northern suburbs.

Two important examples of what we are doing to create jobs and growth that I would like to focus on for a moment are our defence industries and of course the three free trade agreements. We signed those trade agreements—with another to come, we hope, at the year's end—and last week we announced not a shipbuilding project in South Australia but an entire shipbuilding industry.

On the free trade agreements: one in five Australian jobs is linked to our export industries. In the case of Korea, we are going to lift those exports by up to 73 per cent. That means jobs and growth. Our free trade agreement with Japan sees tariffs reduced by 20 per cent. That also means jobs and growth. Under our free trade agreement with China, 95 per cent of our exports will be tariff free for the first time in our existence. That means jobs, and that means growth. How many jobs? Notwithstanding the self-serving, dishonest and xenophobic union campaign claiming the opposite, Australia's FTAs with Japan, Korea and China will create an estimated 178,000 jobs by the time they are in full force in the year 2035. That is real jobs in real time—and, by the way, it is a conservative prediction.

Meanwhile, Labor and their union masters are publicly toying with the idea of undoing these agreements, undoing these opportunities and undoing these jobs. They are like spoilt children in the playground. After six years in government and no action, all the inertia that went with the Rudd-Gillard-Rudd regime, nothing happened. It was a bit like all the orders for shipbuilding in our Australian defence industry, our Australian Defence Force: not one decision. Actually, there was one, but I will talk about that later.

In our shipbuilding industry, never before, as I said earlier, in the history of this Commonwealth has any government created a continuous naval shipbuilding program. Last week, the Abbott government did exactly that. It is a $90 billion industry with $40 billion already committed to Australian shipbuilding, and we have in the offering $50 billion more in the program of submarine manufacturing. We must get that right. I urge all the members opposite and those who have been involved in unions over their years to ensure that, when our design partners come knocking on the unions' door about how they are going to secure shipbuilding in Australia and grow this multigenerational opportunity here in Australia, they get enterprise bargaining agreements that are long term and are not fragmented, because the worst thing that could happen is that Australia shines as a beacon of inefficiency through the labour market. Our industrial relations, our efficiency and our productivity will be on show during this process.

The announcement last week means 2½ thousand full-time jobs in Adelaide and so much work going through those shipyards that they will eventually replace the entire Royal Australian Navy. Let's not lose sight of that: what was announced last week will have the replacement of the entire Royal Australian Navy built in Australia. No such commitment has
ever been made before. No such commitment can be undone now. That is a big commitment, and it was a commitment that the Abbott government made to South Australia and to the South Australian shipbuilders. You would think the unions would still be popping the corks, but I hope that they are getting their pencils sharp and getting ready to talk to the tenderers—the people that are involved in the competitive evaluation process—so that we get everything right in each and every one of those German, French and Japanese submissions to that competitive evaluation process. I cannot stress that to this chamber enough: we have to get that right.

It is worth noting that, for all the hot air and bluster from the other side, during the six years before we came to government there was only one acquisition for the Australian Defence Force and for the Navy, and they bought it from overseas, without a tender. So forgive me if sometimes you see me in question time a little bit animated when I hear those empty retorts from over the other side, from the shadow defence minister and the former finance minister, who presided over the Australian Submarine Corporation at a time when they came under enormous scrutiny for their lack of efficiency and productivity. This government, from the time it was elected, has gone in day in, day out to find the efficiencies and to restore the reputation of the Australian Submarine Corporation to where it is today, when it is an effective production unit with a lot to look forward to.

We will take a moment to note the job-making impact of small business in this country. Small and medium businesses provide 68 per cent of the private sector jobs in Australia, with small business making up nearly 43 per cent of private sector jobs. Building on the government's Economic Action Strategy and the removal of more than $1 billion in red tape is the Growing Jobs and Small Business package announced in the 2015-16 budget. This package will unlock the potential of small business through a small business company tax cut of 1.5 per cent, with associated tax reforms. This will help improve the profitability of small business and will also generate jobs and growth. There is a consistent theme through here: it is this government's focus on enabling small business to generate jobs and growth. That was why we gave small businesses deductibility of up to $20,000 for asset write-off in this year and multiple times. It was not being prescriptive of where they had to spend their money. Small business knows where it needs to invest, and it did, and it will continue to do so.

So you have that, combined with free trade agreements and the $90 billion worth of shipbuilding spend to occur, hopefully, beyond the $39 billion or $40 billion that has already been committed through activities which we have just talked about. That will occur in my state, the state of all the South Australian senators that are in this chamber and that are so interested in this. That is what you can do after two years in government.

After 13 years, the state Labor government has proven it cannot be looked to to provide any solutions. South Australian unemployment levels are the nation's highest. Through a lack of action on the part of the previous government, where there was no commitment to continuous building of ships, we are now in the 'valley of death', and there will be job losses until these programs take their rightful place in accelerating job manufacturing in South Australia.

We are providing solutions. Central to our employment policies is the Australian government's belief that the best form of welfare for anybody is a job. It is simple: it is a job. We will sell our young people short if we allow them to drift into a life of welfare
dependency. We have seen that play out. It does not work. I—like Senator Wright, who is about to make a contribution in this chamber—have seen the effects of the lack of direction in regional centres and the lack of opportunity and employment. Over the last several weeks, before coming back to this place, I have been involved in a law enforcement inquiry into the use of crystal methamphetamine, which is of great concern to all of us here, no matter what our political persuasions are. It is something that we are all focused on. Jobs get people busy, away from welfare and away from being idle. They stimulate mental health, and they promote good outcomes and good lifestyles for people.

To ensure that all young people have a chance to be the best they can be, the Abbott government is implementing a multifaceted strategy that creates jobs through a strong economy and ensures that our young people have the skills, support and incentives to take these jobs. I will be out in the Fremont-Elizabeth City High School, and we will talk to those young people—those year 10, 11 and 12 students. Instead of saying that they will be able to get a job at Holden, we will say that they hopefully will start focusing on getting a job in skilled trades in the shipyards. They will be ready to go into those jobs when those jobs are ready for them. I will enjoy that. We are giving them hope, and we are providing a vision for them.

That is what Senator Madigan was talking about when he was talking about creating manufacturing-industry jobs. It is all going to happen in South Australia by virtue of the commitment of the Abbott government to shipbuilding in that state. The strategy will work. The latest labour-force figures show that job creation is at a four-year high. Since the last election, across this country, 336,000 jobs have been created, but there is more work to be done, of this there is no doubt.

Ali, Mr John Harold

**Senator WRIGHT** (South Australia) (21:15): I am speaking tonight on behalf of one of my South Australian constituents, Mr John Harold Ali, who first came to see me 18 months ago and told me a tale of secret men's business: a clandestine arrangement between one of the most powerful nation's in the world, the United States, and its willing ally, Australia, at the height of the Vietnam War.

It was an arrangement that saw the conveyance of trucks and weapons through Vietnam into Cambodia, a country that neither the US nor Australia had a right to be in, under the auspices of a so-called civilian aid program. It was an arrangement that forever changed his life, bequeathing him a legacy of poor health, fractured relationships, anger and frustration—and never any adequate acknowledgement of the service that he had done.

My advocacy over the last 18 months represents only a small part of a much longer battle that John has been fighting for a basic recognition of his service to our country. I promised John to put his honourable story and his shameful treatment by successive Australian governments on the record, in the Senate. Tonight's speech is about trying to secure this Australian man, who put his life on the line for his country 44 years ago, a fair go. John is now aged 66. He has post-traumatic stress disorder, known as PTSD, and he regularly visits a psychiatrist. He jumps at the sound of thunder and takes about 20 tablets a day. His marriage of 23 years broke down because of his condition. He has almost died as result of three strokes he has experienced in his later life, and he lives with the debilitating health effects of experiences he endured, in service to his country, back in 1971.
Let's go back to meet John as he was then, a naive 22-year-old working as a diesel mechanic, in Adelaide, for an agricultural equipment company called International Harvester. It was the time of the Vietnam War and one day, out of the blue, his employer approached him to go to Canberra to meet with the Liberal government of the day. Feeling honoured and intrigued, John Ali made the journey and, with some other young men, he was ushered into a meeting to find himself face-to-face with the then defence minister Malcolm Fraser and a group of other serious-looking officials.

At that meeting he was invited to serve his country on a top-secret mission. The mission was to unload Australian trucks transported to South Vietnam by ship and to drive them through Vietnam, a declared war zone, into neighbouring Cambodia under a combined arrangement for the Australian and US governments and in conjunction with both Australian and US military forces. It had to be top-secret because neither of those governments were supposed to be in Cambodia at the time. Under the description of a civilian aid program, these trucks were loaded with arms, ammunition and 44-gallon tanks of fuel.

John accepted the mission, partly because he had previously missed the call-up due to his work as an apprentice. In that Canberra meeting, the young men were told they could not tell anyone where they were going or what they were going to do, including their work colleagues, with the exception of their parents and any spouses or girlfriends. Each of the trips through Vietnam to Cambodia took four to five days and passed through areas of extreme danger as the Vietnam war raged around them. Other veterans who served with the Australian Defence Force, and whose service has been officially recognised by the Australian government, have told me that when they were asked to volunteer for operations in these parts of the country, at this time, they refused to go, because it was too dangerous.

Although John was originally told his posting would be for six months, it was extended twice and his stint ultimately lasted for 18 months. John recollects that he undertook this journey six times. Between times he stayed in Cambodia, awaiting orders to return to Vietnam to start the next mission. As well as driving trucks under army control and dodging mortars, he witnessed villages and people destroyed by rockets. Twice he watched crazy so-called friendly soldiers throw grenades into crowded bars after arguments. On one of those occasions, he only narrowly escaped with his life. Frightened and trying to survive, he tried to keep a low profile but constantly felt he was a target. While over there he also contracted dengue fever.

When John returned to Australia, he struggled to adjust to normal life, feeling constantly anxious and nervous. Initially he was reassigned to his old job—as was the case with those who had left employment for Vietnam—supervising the night shift, but this was too much for him after his experiences in a war zone and he was moved to the day shift. Over time he built a career and by the 1980s he was in senior well-paid work. However, he developed PTSD, which eventually led to his resignation from his job at Ford about 10 years ago when he was in his mid-50s. The stress, anger and symptoms of John's PTSD ended his marriage of 23 years, and he has been plagued by debilitating health effects that have blighted his life.

So what is John Ali seeking? It is what he has always been seeking: recognition of the true nature of his service for Australia in Vietnam and Cambodia and assistance with his medical expenses. Both of these outcomes would be achieved through eligibility under the Veterans' Entitlements Act 1986,—I will call it the VEA—which provides for the granting of pensions
for those who have been injured in the course of their service and for the payment of medical expenses.

Section 5R of the VEA empowers the Minister for Veterans Affairs to make a determination that a person is a member of the Australian Defence Force if they were rendering particular 'relevant service' for the purposes of eligibility for payments or support under the Act.

John's application for this assistance has been consistently refused by ministers in both the current Liberal-National government and previous Labor governments. At no time has the service of this 22-year-old mechanic, enlisted by the defence minister at the time and caught up in the proxy Cold War conflict that was being played out in Vietnam been officially recognised as being service on behalf of Australia by any Australian government.

Relying on weasel words and the shadowy arrangement under which John's service was secured, letter after letter insists that John was employed by International Harvester on a United States program, and, as such, he is not eligible for benefits under the Veterans Entitlements Act. In the most recent letter of 2 May this year, Darren Chester, the Parliamentary Secretary for Defence stated:

His visits to Vietnam had no connection to the Australian military commitment in Vietnam at that time.

On any reading of the evidence available, including actions and correspondence from Defence officials, this assertion is blatantly false.

John Ali was awarded a Vietnam Logistic and Support Medal and an Australian Active Service Medal 1945 to 1975, both awarded by the Australian Army in 1993 and 1998 respectively. The letter informing John of the medals, dated 3 September 1998, refers to an 'examination of his service records'. The Department of Defence website itself describes the Australian Active Service Medal as being awarded for service in or in connection with prescribed warlike operations from 3 September 1945 until 13 February 1975. This begs the question: what service records could they be if he did not, as asserted, provide service to the Australian government in the context of the war?

Ministers in both Liberal and Labor governments, always so ready to jump on the bandwagon of military service to our country when they think there is a vote in it, have been at pains to deny the legitimacy and justice of John's claim for assistance after the event. In a letter from then Minister for Veterans Affairs in the previous Labor government, Alan Griffin, dated 15 April 2010, John's service was compared to 'civilian surgical and medical teams in Vietnam, merchant mariners on MV Jeparit and MV Boonaroo in Vietnam waters, entertainers, or QANTAS aircrew who flew in and out of Saigon'.

But the circumstances of John Ali's service was entirely different to those groups in a number of crucial ways: most of those groups came to Vietnam fully self-contained; most needed little assistance from the military other than escorts, travel and accommodation; most were entirely independent of the Australian Army for the time they were in Vietnam and did not come under military command; and in most cases their service, although important, was transient and completely different to the lengthy attachments that John had with the Australian Army, the duties he undertook and the arrangements under which he was deployed.
Subsequent governments have also claimed that John was 'employed' by International Harvester during his time in Cambodia and South Vietnam but this is the figleaf that hides the real situation. There is no documentation that establishes this and International Harvester's workers' compensation insurance excluded war injuries and war zones. What would have come of him if he had actually been killed or injured at that time?

John Ali has consistently stated, and his evidence shows, that he was effectively under Australian Army command and control during his visits to Vietnam over 18 months. When he was initially briefed in 1971, he was informed that he was no longer employed by International Harvester and that he would be under the direct control of the Australian government. This was what he was told as a 22-year-old man. Upon arrival in Vietnam, he was met and transported by RAAF movements and told to make his way to Vung Tau on a military aircraft. Once there, he was met by a duty officer who informed him that he would be part of an Australian military unit. He was accommodated in the barracks among soldiers of that unit and he was administered by the Australian Army in all respects—command and administrative control—during these visits. During visits to Vung Tau, he was attached to the unit, reported to Australian Army officers and operated under the same standing and routine orders as any member of the unit. He sought leave from the base as the soldiers did, let the officers know where he was at all times, and even participated in regular patrols that the unit conducted.

When he arrived back in Vietnam for each subsequent mission, he was collected from the airport by an Australian Army land rover which would take him to the base. He did not have the resources to repair and maintain the trucks he was responsible for; these resources were provided by the Australian Army. The unloading of trucks from ships before running them across to Cambodia was coordinated by the Australian Army and Navy. He worked in the same capacity as a soldier, unloading all the vehicles and freight from the HMAS Sydney rather than stopping work when the so-called civil aid vehicles were unloaded. When in Vietnam waiting for the HMAS Sydney to arrive loaded with trucks, John was employed in a variety of other tasks to support the unit he was attached to, such as repairs and maintenance on other vehicles that belonged to units of the Australian Army. Yes, when John returned to Australia, he was given his old job back at International Harvester, but that was the general arrangement for Australians who served in the Vietnam war.

The reality is that John Ali simply would not have been able to do the work he was tasked to do without being absorbed into the command structure of the Australian Army. In the face of this information and evidence, which has been consistently provided by John and his advocates to Australian governments, I find it astounding that the Government maintains the shabby and deceitful claim that 'his visits to Vietnam had no connection to the Australian military commitment in Vietnam at that time'.

In John's words, he 'doesn't want a million dollars'. He just wants his service to be rightfully acknowledged and to have his significant medical needs met, just as we would expect for anyone we as a nation have asked to serve on our behalf in a hazardous situation like this.

There were about six other young men in that intake that caught up John Ali and changed his life. These include Robert Oultram, who lives in Queensland and has similar needs. This is a shameful story. The Liberal government of the day enlisted John Ali and other young men
to risk their lives in order to do the bidding of a powerful American ally at the time. Then, over 40 years, Australian governments have used the very secrecy surrounding the mission to disavow the involvement and the trauma these young men experienced—and disown their own responsibility as governments—leaving them high and dry, abandoned by the country they served.

The question then remains: what justice will there be for John Ali, Robert Oultram and the other survivors of this clandestine operation which took place over 40 years ago? And will they see any justice before they die, or is this a cynical operation by governments to outlive them? The answer to that question remains squarely in the hands of the veterans' affairs minister, Senator Michael Ronaldson; the Parliamentary Secretary for Defence, Darren Chester; and the defence minister, Kevin Andrews MP. If you have heard this speech and you believe Australia should still lay claim to being the land of the fair go, why do not you get in touch with those ministers and let them know what you think.

**Workplace Relations**

**Senator RHIANNON** (New South Wales) (21:31): On Sunday, I joined the MUA family day and picket at port botany in support of sacked wharfies. Ninety-seven out of 224 workers at Hutchison's operations in both Brisbane and Sydney lost their jobs last week—that is 40 per cent of their workforce. At a time of growing unemployment the enormous stress this puts on the workers and their families is really unacceptable.

The strategy has been dubbed 'phoenix rising', and I understand that even the company is using that term. What has been widely reported and certainly what many of the workers were talking about on Sunday is that this is a strategy to bring in greater automation and to bring in automation without negotiation with the workforce. This is something that the Greens find abhorrent, and I certainly do personally.

When I gave my first speech in this place, one of the people who came to see me give my speech was my uncle. My uncle was a wharfie, as was my other uncle—Uncle Ray and Uncle Leon—so I feel doubly strongly when I see workers being treated in such a shocking way.

When I was young I remember my wharfie uncles going to work and seeing them taking their hook and then hearing the stories about the bull system. I remember how they described the bull system, and when I hear about how the body hire system works now, this appears to be part of the equation of where Hutchison wants to take their operations in Australia. It really does sound like attempting to turn back the clock to the appalling work conditions that prior to the Second World War, and coming out of the Second World War, wharfies were forced to operate under if they had any hope of getting a job.

Paul McAleer, the MUA Sydney branch secretary has said that there has been no genuine consultation with the MUA on this move by Hutchison. I understand that is how it is seen in Brisbane as well. There has been no question about the competitiveness of Hutchinson. Their profits come in billions of dollars, with their operations across so many different industry sectors. This theme about pushing to greater automation is coming up so often when you speak to people involved and when you read what is happening on our wharfs.

Mr McAleer has also said that the union is seeking a fair and objective process where all Labor data and modelling are put on the table to determine the true nature and scope of what is going on. Surely that is the reasonable way to go. If this Abbott government had any
decency or commitment to working people in terms of their right to have a job and to have
dignity and safety at work, it would at least be encouraging the company to be up-front about
the situation for their workforce. But we are hearing nothing about that. What we are in fact
seeing from Hutchison is a set of tactics that you can call nothing but confrontation.

Another comment that came up in the few hours I had the opportunity on Sunday to spend
at Port Botany was, 'It's Patrick all over again'. And many of you would remember 1998 with
the balaclavas, the dogs and the shocking attacks then on working people, wharfies, at our
ports around the country.

Again, this is not something new. When you look at the history of working-class people in
this country, these sorts of attacks are frequent, and they really are attacks by companies hell-
bent on watering down and running down working conditions, so that they can increase their
profits.

I think it is worth remembering when we talk about the comparison with Patrick that that
ended with a High Court finding in favour of the union's case—that the company had
attempted a workplace restructure to dismiss its unionised employees. Why do they want to
weaken the union? Why do they want to run down working conditions? Again, it is about
increasing their profits. And that is the key intent of the Abbott government with its
continuing attacks on the union movement and why it has been so effectively silent in the
appalling conditions that we have seen play out on workers on our waterfront in Melbourne,
Sydney and Brisbane over the past week.

When I was at Port Botany, a number of us spoke in support of the striking workers—
Senator Doug Cameron, myself, representatives of a number of the unions, and the workers
themselves. Angelo Gavrielatos, former AEU president, now working with the International
Education Union, also spoke. In Brisbane there have been similar actions. Bob Carnegie, the
Maritime Union of Australia Queensland state secretary, has spoken along similar lines. He
had a similar experience with the management of Hutchison there. Bob has said that they
involve themselves in meaningful talks about the mitigation of this problem until they show
us problem our labour modelling data and behave like proper responsible corporate citizens.
The unions have been very clear. They are just saying, 'We're ready to talk. We're ready to
ensure that the work can continue but let us understand what the data it is with regard to the
workplace what that modelling does show.'

Time and time again the comment was that what they were fighting for was justice and
fairness. Surely that is something that any decent government would get behind, but again
there is silence on that front. This is potentially a huge issue. Automation of our wharves
would mean so much unemployment, so much dislocation.

Many Sydney unionists turned up on Sunday from the Electrical Trades Union, from the
Australian Services Union and the Plumbers Union. It was certainly an enjoyable day but
there was also a lot of uncertainty as people spoke about their feelings of job insecurity. That
was obviously understandable. People are so uncertain about what their future holds.

Adam Bandt, the Greens member for Melbourne, has also taken up this issue. He has called
on the government to amend the Fair Work Act so that unfair actions by employers in the
future will not require the Fair Work Commission to issue orders against employees. That
motion is now before the parliament. It has been seconded by Cathy McGowan and it calls on
the government, as I said, to amend the Fair Work Act, so that the internationally recognised right to strike is protected and the Fair Work Commission is not required to issue orders against employees if their employer has acted unfairly and instigated a dispute, something which, when you consider what has happened at Hutchison, is obviously needed and again from a government that is always talking about reforming the fair work laws and how work places operate. That is something which a decent government, if they were true and concerned about jobs and working people, would pass, but we know that will not happen. We know they are just words from this government who are hell bent on running down our work places, making them more unsafe, increasing job security so that they can deliver for their constituents and what their constituents want is an easier run to make profits.

It was a very good day on Sunday but I left there to come to Canberra with great concern. I also want to share that the Greens New South Wales also passed a motion on the weekend indicating their support for the sacked wharfies and raising concerns about how the sacking was conveyed to them by email and text and indicating support for the MUA picket. Large numbers of Greens members are out on the picket on a regular basis. Finally that motion says:

The Greens New South Wales calls on Hutchison Ports to engage in discussions with the Maritime Union of Australia to discuss proposed workplace changes at Hutchison and the reinstatement of the 100 sacked workers.

All they were asking for was to talk. Surely that is what should have happened before the workers were sacked but there has been no criticism from the government about those tactics. To share with you some of the comments that were made as I met a number of the operators, some of them were crane drivers. One of them had come from Adelaide after he lost his job there on the wharves and came to Sydney to pick up work. He explained about some of the workers he had been with who had worked in Hong Kong ports in the Hutchison operations where some of their shifts went for 12 hours. They were sent up into the crane high above the ground with food for their meal and a bucket to go to the toilet, operating there for 12 hours. These are ruthless conditions and now this is a ruthless way of dismissing the workers.

The other comment that came up was that there was speculation of what the tactics were with Hutchison. The feeling was that it was a push for automation without negotiation. Part of that is relying on a minimal workforce that is not employed directly by Hutchison but by some body hire company. Body hire is an issue which comes up periodically. It has been used more frequently and is certainly another way that makes it very hard for working people in this country to gain a decent wage. The essential difference between an employee who works for someone else and if they are in a body hire company or what is often called an independent contractor, they are deemed as operating their own business whereas if they are an employee they are working for someone else. There is enormous significance in that. Employees are entitled to the benefits of the laws which are established for their protection. While those laws may have been weakened, there are still many of them in Australia and they are obviously very important for employees.

If you are no longer an employee, you are put out there as an independent contractor by some body hire company and the whole situation changes. This issue is very important because the integrity of our employment laws needs to be protected. They can be run down overnight. This is what Hutchison appears to be up to. If it removes workers, its own employees, and then uses a body hire company, those same workers could become
independent contractors, losing so many benefits overnight. Just because somebody is called a contractor, that should not dictate that they be treated for legal purposes as such. I want to emphasise that point because in the times ahead this will become more and more important. Just because somebody comes from a body hire company and have been designated as a so-called independent contractor, that does not mean they are not an employee.

By engaging a contractor, a firm could be spared the costs of holiday and superannuation entitlements, insuring against work-related injuries, exposure to unfair dismissal claims or severance pay. You can see why some companies move to use this form of operating. Also, having contractors operating in the workplace makes it much harder for unions. So, again, these companies can get a free ride to greater profits.

In my opening remarks I made reference to the bull system, which was a very ugly way the wharves used to operate. To get a job you lined up with often hundreds of fellow workers and a foreman would stand looking down on the men and pick out the ones who looked like big blokes, because in those days, there were no containers and you had to lug it on your back and it was tough, hard, dirty work. This system, which became known as the bull system, was something the wharfies and their unions fought very hard against. They fought to bring dignity to the workplace, to bring in rosters and to bring in what are called gangs—groups of workers—to work together, where the work was shared out in a fair and just way. Eventually that fight was won, and safety and workplace relations laws were brought to the workplace. But again we are facing that being run down.

Body hire is something that pops up in many industries. I find that often when you talk on these issues, people who favour how the companies operate are keen to misrepresent what one says. So I do want to say that I am not ruling out body hire and saying that there is no place for body hire. The use of body hire does have a role. Clearly, employers may sometimes have a genuine short-term need to top up their workforce. There are often peak production problems and unforeseen absences where workers need to be brought in at short notice. So there is a need in some instances for this to occur, and I wanted to put that on the record. But we know of so many examples in so many industries, particularly the building industry and increasingly now these days in the maritime industry, of this type of labour being used to make workers' jobs even more insecure.

When this debate came into parliament yesterday, Senator Doug Cameron asked Senator Abetz, the responsible minister, about it. Senator Abetz gave one of his usual replies. He really did not have anything useful to say, but you certainly got the message that he was in no way going to stick up for workers who had lost their jobs—and effectively again justifies sacking workers via a text message. In his comments he went on to make some very insulting remarks which he trots out periodically. He said that the MUA 'has the disgraceful history of even sabotaging our World War II effort and compromising the safety and security of Australian soldiers overseas.' Firstly, the MUA was not around in the Second World War—but those mistakes are made. Who he was referring to there were the wharfies.

Further, and this is absolutely shocking—Senator Abetz has sunk to such a low level—he was largely drawing on a book by Hal Colebatch. This just shows the narrative this government is desperate to push out there. This book won the Prime Minister's prize for Australian history. I will have to come back to this, because it really does need to be corrected on the record. The book is called Australia's secret war—and Colebatch gets it wrong time
and time again in terms of the allegations that he made about the so-called sabotage. He bases his work on really just secondary sources. The only primary sources are the memories of some very elderly Second World War veterans who were describing events that occurred 60 years ago. He describes one incident about radar being interfered with, and he got the type of aircraft involved, the air force to which they belonged and even the incident that actually happened wrong. That has been well documented, and I look forward to coming back and setting out the case.

When the wharfies were working during the Second World War they contributed enormously to the Australian war effort. That was particularly shown by the wharfies at Port Kembla who refused to load pig iron to go to Japan that could have been used in bombs that could have come back to Australia. They actually took industrial action—very fine industrial action—to protect Australians. But, as well as doing that, they themselves contributed directly to the war effort. This needs to be put on the record. I am not going to go into Senator Abetz's history, but it is certainly very tempting when he is so insulting and so wrong by trying to further slur wharfies at a time when they are facing some real challenges, as indeed the whole country is with automation being stepped up. So I look forward to coming back to this important issue once again.

**Senate adjourned at 21:51**

**DOCUMENTS**

**Tabling**

The following documents were tabled by the Clerk pursuant to statute:

[Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number. An explanatory statement is tabled with an instrument unless otherwise indicated by an asterisk.]

*Civil Aviation Act 1988*—Civil Aviation Regulations 1988 and Civil Aviation Safety Regulations 1998—Authorisations, approval, permission, directions and exemption—helicopter operations (Aeropower)—CASA 113/15 [F2015L01241].


*Criminal Code Act 1995*—


Higher Education Support Act 2003—Amendment No. 1 to the List of Maximum Grant Amounts under Division 41 for 2015 (Education) [F2015L01234].

Industrial Chemicals (Notification and Assessment) Act 1989—Industrial Chemicals (Notification and Assessment) Amendment (Registration Charges) Regulation 2015—Select Legislative Instrument 2015 No. 132 [F2015L01244].


Tabling

The following document was tabled pursuant to standing order 61(1)(b):


Indexed Lists of Departmental and Agency Files

Tabling

The following document was tabled pursuant to the order of the Senate of 30 May 1996, as amended:

Indexed lists of departmental and agency files for the period 1 January to 30 June 2015—Statement of compliance—Inspector-General of Intelligence and Security.