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**SITTING DAYS—2015**

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**RADIO BROADCASTS**

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- BRISBANE 936AM
- CANBERRA 103.9FM
- DARWIN 102.5FM
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- PERTH 585AM
- SYDNEY 630AM

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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. George Henry Brandis QC
Deputy Leader of the Government in the Senate—Senator Hon. Mathias Cormann
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. George Henry Brandis QC
Deputy Leader of the Liberal Party in the Senate—Senator Hon. Mathias Cormann
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 Dean Anthony Smith
The Nationals Whip—Senator Matthew James Canavan
Chief Opposition Whip—Senator Anne McEwen
Deputy Opposition Whips—Senators Catryna Louise Bilyk and Anne Elizabeth Urquhart
Australian Greens Whip—Senator Rachel Siewert

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

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<tr>
<th>Senator</th>
<th>State or Territory</th>
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<td>Abetz, Hon. Eric</td>
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<td>Brown, Carol Louise</td>
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Pursuant to section 42 of the Commonwealth Electoral Act 1918, the terms of service of the following senators representing the Australian Capital Territory and the Northern Territory expire at the close of the day immediately before the polling day for the next general election of members of the House of Representatives.

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<td>Peris, N.M.</td>
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(1) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice R. Carr), pursuant to section 15 of the Constitution.
(2) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice J Faulkner), pursuant to section 15 of the Constitution.
(3) Chosen by the Australian Capital Territory Legislative Assembly to fill a casual vacancy (vice K. Lundy), pursuant to section 15 of the Constitution.
(4) Chosen by the Parliament of Queensland to fill a casual vacancy (vice B. Mason), pursuant to section 15 of the Constitution.
(5) Chosen by the Parliament of Tasmania to fill a casual vacancy (vice C. Milne), pursuant to section 15 of the Constitution.
(6) Chosen by the Parliament of South Australia to fill a casual vacancy (vice P Wright), pursuant to section 15 of the Constitution.
PARTY ABBREVIATIONS

Heads of Parliamentary Departments
Clerk of the Senate—R Laing
Clerk of the House of Representatives—D Elder
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 Malcolm Turnbull MP</td>
</tr>
<tr>
<td><strong>Minister for Indigenous Affairs</strong></td>
<td>Senator Hon Nigel Scullion</td>
</tr>
<tr>
<td><strong>Minister for Women</strong></td>
<td>Senator Hon Arthur Sinodinos AO</td>
</tr>
<tr>
<td><strong>Cabinet Secretary</strong></td>
<td>Senator Hon Michaelia Cash</td>
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<tr>
<td><em>Minister Assisting the Prime Minister for the Public Service</em></td>
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<tr>
<td><strong>Minister Assisting the Prime Minister for Digital Government</strong></td>
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<tr>
<td><strong>Minister Assisting the Prime Minister for Counter Terrorism</strong></td>
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<tr>
<td><strong>Assistant Minister to the Prime Minister</strong></td>
<td>Hon Alan Tudge MP</td>
</tr>
<tr>
<td><strong>Assistant Minister to the Prime Minister</strong></td>
<td>Senator Hon James McGrath</td>
</tr>
<tr>
<td><strong>Assistant Minister for Productivity</strong></td>
<td>Hon Dr Peter Hendy MP</td>
</tr>
<tr>
<td><strong>Assistant Cabinet Secretary</strong></td>
<td>Senator Hon Scott Ryan</td>
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<tr>
<td><strong>Minister for Infrastructure and Regional Development</strong></td>
<td>Hon Warren Truss MP</td>
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<tr>
<td>(Deputy Prime Minister)</td>
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<tr>
<td><strong>Minister for Resources, Energy and Northern Australia</strong></td>
<td>Hon Josh Frydenberg MP</td>
</tr>
<tr>
<td><strong>Minister for Territories, Local Government and Major Projects</strong></td>
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<tr>
<td><strong>Assistant Minister to the Deputy Prime Minister</strong></td>
<td>Hon Michael McCormack MP</td>
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<tr>
<td><strong>Minister for Foreign Affairs</strong></td>
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<tr>
<td><strong>Minister for Trade and Investment</strong></td>
<td>Hon Julie Bishop MP</td>
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<tr>
<td><strong>Minister for International Development and the Pacific</strong></td>
<td>Hon Andrew Robb AO MP</td>
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<tr>
<td><strong>Minister for Tourism and International Education</strong></td>
<td>Hon Steven Ciobo MP</td>
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<tr>
<td><em>Minister Assisting the Minister for Trade and Investment</em></td>
<td>Senator Hon Richard Colbeck</td>
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<tr>
<td><strong>Attorney-General</strong></td>
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<tr>
<td>(Vice-President of the Executive Council)</td>
<td>Senator Hon George Brandis QC</td>
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<tr>
<td>(Leader of the Government in the Senate)</td>
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<tr>
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<td>Hon Michael Keenan MP</td>
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<td>Senator Hon Concetta Fierravanti-Wells</td>
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<td><strong>Minister for Small Business</strong></td>
<td>Hon Kelly O’Dwyer MP</td>
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<tr>
<td><strong>Assistant Treasurer</strong></td>
<td>Hon Kelly O’Dwyer MP</td>
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<td><em>Hon Alex Hawke MP</em></td>
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<td><strong>Minister for Finance</strong></td>
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<td>Senator Hon Mathias Cormann</td>
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<td>Special Minister of State</td>
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<td><strong>Minister for Agriculture and Water Resources</strong></td>
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<tr>
<td><strong>Assistant Minister for Agriculture and Water Resources</strong></td>
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<td><strong>Assistant Minister for Innovation</strong></td>
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<tr>
<td><strong>Minister for Immigration and Border Protection</strong></td>
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<tr>
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<tr>
<td>Minister for Cities and the Built Environment</td>
<td>Hon Jamie Briggs MP</td>
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<tr>
<td>Minister for Health</td>
<td>Hon Sussan Ley MP</td>
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<tr>
<td>Assistant Minister for Health</td>
<td>Hon. Ken Wyatt MP</td>
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<tr>
<td>Minister for Sport</td>
<td>Hon Sussan Ley MP</td>
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Tuesday, 10 November 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. The list is available from the table office or from chamber attendants.
Details of the documents also appear at the end of today's Hansard.

COMMITTEES
Meeting
The Clerk: Proposals to meet have been lodged as follows:
Parliamentary Joint Committee on Law Enforcement—
Public meeting during the sitting of the Senate on Wednesday, 11 November 2015, from 5.30 pm, to take evidence for the committee’s inquiry into crystal methamphetamine.
Public meeting during the sitting of the Senate on Wednesday, 25 November 2015, from 5.30 pm, to take evidence for the committee’s inquiry into crystal methamphetamine.

Legal and Constitutional Affairs References Committee—
Public meeting during the sitting of the Senate on Monday, 23 November 2015, from 10 am, to take evidence for the committee’s inquiry into arts programs and funding.

Joint Standing Committee on Migration—
Public meeting during the sitting of the Senate on Wednesday, 11 November 2015, from 9.45 am, to take evidence for the committee’s inquiry into the Seasonal Worker Programme.

Joint Standing Committee on Treaties—
Private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Thursday, 12 November 2015, from 4.30 pm.

The PRESIDENT (12:31): Does any senator wish to have the question put on any of those motions? There being no such request, we shall proceed.

BILLS
Defence Legislation Amendment (First Principles) Bill 2015
Second Reading

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

Senator DASTYARI (New South Wales) (12:32): I rise to express Labor's support for the Defence Legislation Amendment (First Principles) Bill, which will enable implementation of certain recommendations from the First Principles Review and instil a stronger, whole-of-organisation approach within Defence. Labor's support for this bill is in line with our often expressed position that we will take a bipartisan approach on national security matters when we are satisfied it is in the national interest.
We support the provisions of the bill that are designed to implement two specific recommendations of the First Principles Review. The first clearly establishes the role of the Chief of the Defence Force as the commander of the Australian Defence Force. The other amends the Navigation Act to allow for the consolidation of geospatial information functions in the Australian Geospatial-Intelligence Organisation. We have no objection to these two recommendations of the First Principles Review and support their implementation.

We are aware that some in the Defence community regard the changes to the role of the Chief of the Defence Force and the statutory authority of the service chiefs as undesirable. In satisfying ourselves that the proposed changes are in the national interest, we sought and received assurances from Defence leadership that these changes codify existing arrangements in Defence. We also sought and received public assurances from all three service chiefs that they were supportive of the changes, and we consulted with service organisations. We have been reassured that this legislative change will make no substantive difference to the very real and continuing traditions of each of the services.

This bill proposes changes that will see the legislative coverage of the Defence Reserves amalgamated into a single Defence Act. This is a welcome step and continues, in legislative terms, the integration of the reserves into the total force concept that Labor initiated through Plan Suakin and Plan Beersheba.

Labor also note that the bill provides a clearer legal framework for the cadets, which we welcome. The changes clearly establish that the cadets are not part of the ADF and that instructors are not members of the ADF by virtue of their role. The changes also make clear that the cadets are a volunteer based youth development organisation. Labor support these changes as we consider that they better reflect the nature of the cadets program and make it clear that the cadets are not a junior military force. We support the introduction of an annual report on the cadets from the Chief of the Defence Force.

Labor also note the nature of the ADF employment relationship has, until now, been expressed in regulation. This bill seeks to enshrine this relationship in legislation, in the Defence Act, which we support. We believe that such an important issue should be in legislation in the interests of transparency and as one more sign of the unique nature of military service.

For the reasons I have outlined, Labor support this bill. We believe it seeks to make sensible changes that should improve the administration of Defence. In conclusion, I would like to thank the minister and her office for their willingness to make departmental officials available to brief the opposition. The cooperation shown by the minister's office and the department was greatly appreciated.

**Senator XENOPHON** (South Australia) (12:35): I would like to indicate my support for the Defence Legislation Amendment (First Principles) Bill, but I want to put this bill in context. It implements just one small part of the First Principles Review into Defence. That review was instigated by the current government, by former minister Senator Johnston, in August 2014. I commend Senator Johnston for his leadership on this issue. This was a very good thing to do, and it is great to see that the current defence minister is following this through, which I think is very important.
In a nutshell, the review is about making our defence forces and the resources provided to them to be more effective in terms of both defending our nation and delivering better value for money for taxpayers. What I have learnt, though, in Senate estimates, over a number of torturous occasions, is that there is much more work to be done to ensure that Defence procurement decisions and the processes for those decisions must be improved. I do not think there should be too much dispute about that.

For instance, the questions I have asked about submarine combat systems indicate that potentially hundreds of millions of dollars have not been spent wisely; we could have had a better outcome had all options been explored. A locally built combat system, I believe, would have been a much better option. That option would have meant a much greater degree of Australian industry involvement with Australian control of that combat system.

Just last week, I was in Singapore visiting the Defence Science and Technology Agency and met with its CEO, Mr Tan Peng Yam, and senior executives of the DSTA. I talked to them about how they went about procuring their defence capabilities and also about the fact that, for their submarines, there is a local capability in respect of their combat systems.

I note that the whole basis of the First Principles Review, or one of the key underpinnings of it, is to have true contestability in Defence. What this means is that Defence should encourage scrutiny from both within Defence and externally to ensure the best outcomes for our nation's defence and the most cost-effective way of achieving that. That may involve challenging conventional orthodoxies in the way that Defence goes about its business, particularly procurement.

So I welcome this bill in that it implements one of the many recommendations of the First Principles Review. But in relation to this particular bill, I do have some minor concerns that I would like to explore with the Minister for Defence briefly in the context of the committee stage. They relate to how command may override some elements of contestability. I would also like some clarification in relation to the minister's ability to independently seek advice as to the single service perspectives of the Chief of Army, the Chief of Navy and the Chief of Air Force, which may differ from the single perspective presented to the minister through the CDF as part of One Defence. That is, I think, a genuine question in the context of what that means where there is a One Defence approach but there may be nuanced differences between Army, Navy and the Air Force. I would like that to be clarified during the committee stages of this debate.

I would also like an update from the minister, in the course of the committee or at some other time, as to the other aspects of the First Principles Review, which I believe have a lot of merit in improving our Defence forces, having that genuine contestability within Defence and having Defence subject to that scrutiny to best deliver outcomes for our nation's defence in a way that is most efficient for our taxpayers but, above all, to make sure that the security of our nation is most robustly looked after. The First Principles Review, I believe, goes some way in enhancing the defence of our nation.

Senator PAYNE (New South Wales—Minister for Defence) (12:39): I thank both Senator Dastyari and Senator Xenophon for their contributions to this debate and their acknowledgement of the support of the legislation. The First Principles Review of Defence, which was commissioned by this government in 2014, recommended changes to the Defence Act 1903 to formally recognise the authority of the Chief of the Defence Force and the Vice
Chief of the Defence Force. The Defence Legislation Amendment (First Principles) Bill 2015 will give full command of the Australian Defence Force, made up of the Navy, Army and Air Force, to the CDF by removing legislative limitations in the Defence Act.

Passage of this bill will mean that, for the first time, all three services of the ADF will be incorporated under one act, the Defence Act. All three services will maintain their individual identity and service chiefs, but they will come together as a part of the ADF under the Defence Act. This is historic, because, until now, each service was recognised separately in legislation, in recognition of their different histories. The bill also recognises the VCDF as the deputy of the CDF and clarifies that the powers of the service chiefs are subject to the direction of the Chief of the Defence Force.

The current Defence Act does not explicitly recognise the ADF as a single entity in its own right—rather, it gives the impression that the ADF is a federation of the three services—and it lacks some clarity with respect to command arrangements of the CDF, the VCDF and the service chiefs. The service chiefs' role as a vital element of defence capability is enduring, and they will continue to command their respective service subject to the direction of the CDF. The bill also makes other necessary legislative amendments to make it clear that the Chief of the Defence Force, as the sole commander of the ADF, is able to make appropriate orders or give directions in relation to command, control and administrations of the ADF and for the CDF to direct and administer the ADF cadets. The chain of command and day-to-day operations of ADF members are likely to remain unchanged. The changes will have no effect on ADF members' obligations and entitlements.

The provisions in the Defence Act 1903 establishing the diarchy where the CDF and the Secretary of Defence have joint responsibility for administering the Defence Force will be remade in substantially the same terms, consistent with the First Principles Review recommendations. The bill will also streamline the legislative basis of the ADF, including by repealing the Naval Defence Act 1910 and the Air Force Act 1923 and incorporating the substantive provisions of these acts in tri-service provisions in the Defence Act. The repeal of the Naval Defence Act and the Air Force Act provides the opportunity to both modernise and simplify legislation in relation to the ADF cadets, which are voluntary community-based youth programs established by Defence in partnership with the community. The bill makes it clear that cadets, instructors and officers of cadets are volunteers and are not members of the ADF. The bill will not change the day-to-day activities of cadet units in the community. ADF cadets will continue to be formed into cadet units in Navy, Army and Air Force cadets.

While this bill will bring each of these services together for the first time under one act, none of the traditions or identities will be lost, nor will the history of service and sacrifice that hundreds of thousands of Australians have given under the banners of the Navy, the Army or the Air Force ever be forgotten, especially as we approach Remembrance Day tomorrow. What we will have is a modern Australian Defence Force that is fit for purpose and that is capable of meeting the threats to national security of the 21st century and beyond.

Question agreed to.

Bill read a second time.
In Committee

Senator XENOPHON (South Australia) (12:44): My question relates to the very brief contribution I made in the second reading debate. I understand the basis for this piece of legislation, and I have said that I support it, but to what extent does the minister have a discretion or an ability to seek advice separately?

At the moment, the Chief of Defence may give the view of defence as a whole, but there may be some nuanced and subtle differences between the position of the Chief of Navy, the Chief of Air Force and the Chief of Army. That is where I am at. While I am on my feet, what progress is being made with respect to the whole issue of contestability that seems to underpin the basis of the First Principles Review and the importance of that, because I think that is very healthy in terms of the culture of defence. That is not being critical of the culture of the defence. I just think it is very healthy for an organisation like Defence to have that ethos of contestability running through it.

Senator PAYNE (New South Wales—Minister for Defence) (12:45): Senator Xenophon, I think it is very fair to say that there are often subtle and nuanced differences occasionally presented by the chiefs of the various services and, from time to time, the CDF, and between themselves for that matter. But the most important thing is that currently the minister is able to receive that separate and discrete, as in separate unit, advice. That will certainly continue under these arrangements and with the adoption of this legislation. Ultimately, of course, it is the minister who directs the CDF—that is, if you like, the top layer on that process.

In relation to your question concerning the contestability aspects of the First Principles Review and progress in that regard, I met very early in the piece, after I was appointed, with the oversight committee of the first principles implementation team and was updated by them. I understand I am due to receive another update from the chair, Mr Peever, in fact this week. The committee under the leadership also of the VCDF is progressing very methodically through the implementation process of the First Principles Review. I am keeping a very close eye on that and am engaged in that briefing process in particular.

Senator XENOPHON (South Australia) (12:46): I thank the minister for her answer. Just in terms of protocols: will this legislation, when passed, make any difference to the way that the minister can receive information from the Chief of Navy, the Chief of Army and the Chief of Air Force—in other words, will there now be a flittering mechanism that has to go through the CDF, or is your access unfettered for those subtle, nuanced differences there may be between different parts of Defence?

Senator PAYNE (New South Wales—Minister for Defence) (12:47): No, there is no change to that process. That information, those briefs and so on, are still able to come directly to me, not with a filter, as you might describe it.

Bill agreed to.

Bill reported without amendment; report adopted.
Third Reading

Senator PAYNE (New South Wales—Minister for Defence) (12:48): I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Tax Laws Amendment (Combating Multinational Tax Avoidance) Bill 2015

Second Reading

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

Senator CAROL BROWN (Tasmania) (12:48): I rise to speak on the Tax Laws Amendment (Combating Multinational Tax Avoidance) Bill 2015. While the Labor Party will be supporting this bill, we note that its revenue impact has no dollar figures attached to it because Treasury has been unable to cost it. This proposal in the bill is uncosted and untested, but Labor will support any steps to tighten Australia’s tax net and crack down on multinationals who are avoiding paying tax, no matter how small. That is why we are taking a bipartisan approach to this bill. We hope that in the same spirit of cooperation the government will take a serious look at Labor’s fully-costed multinational tax package, which will raise $7.2 billion over the next decade. Labor’s plan, which I urge those opposite to look at in detail, would close tax loopholes and keep tax revenue here in Australia.

Labor’s plan has been costed by the independent Parliamentary Budget Office. This bill, as I have said, is uncosted. Treasury cannot say how much revenue it will bring in. It is an untested approach to corporate tax. When it comes to tax, Labor believes everyone should pay their fair share. It is unacceptable to allow big multinationals off the hook when Australians work hard and pay their tax. We know that when huge overseas companies avoid paying their fair share of tax, individual taxpayers and small businesses are left to pick up the slack. It is incredibly unfair that massive global companies earning millions of dollars in revenue in Australia can get away without contributing to the things that taxes fund, like our schools, hospitals, roads and many other public services.

It is timely to be debating the bill this week when it has been reported in the media that Chevron Australia’s United States parent company paid income tax of just $248 last year, despite earning an estimated $1.73 billion profit on interest charges to its Gorgon LNG development. Someone earning the average wage in Australia pays about 21 per cent in tax and a small business pays the corporate rate of 30 per cent on their profits. But, in recent years, it has become clear that many big companies pay just a fraction of that. At the Senate’s recent corporate tax inquiry, we heard evidence that one big multinational company may have paid as little as two per cent tax on billions of dollars in revenue—just two per cent tax.

Just consider: if the average Australian wage earner paid just two per cent instead of their standard 21 per cent, they would be paying almost $15,000 less a year. In its submission to the tax inquiry, the Australian Taxation Office said that more than half of Australia’s cross-border trade—or over $300 billion a year—is made up of companies transferring money from their Australian operations to their international arms. More than $115 billion of this revenue was channelled to very low tax jurisdictions. When evidence like this is revealed, how can
Australians have any faith in the corporate tax system? Why would Australians feel that they should pay the right amount of tax when others get away with paying next to nothing? Where is the fairness in this system?

It is quite clear that we need to tackle multinational profit shifting and corporate tax avoidance. If we do not act now, Australia will continue to lose millions—or even billions of dollars—in foregone tax. And we know that under this government net government debt is continuing to rise so we cannot afford to let tax revenue continue to drain away offshore. Tax reform for multinational companies is so important because of globalisation and the digitisation of the world economy.

Three of the five biggest companies in the world today are companies that make their money primarily on the basis of intellectual property. This makes traditional tax regimes far more complicated. Digital businesses often do not have permanent headquarters in a physical place where their so-called products are made. So this has made it easier for businesses to shift profits to low-tax or no-tax regimes, regardless of where their profit is really produced. The intangible nature of digital goods also raises issues in pricing transactions within companies. Now more than ever we need to update and close the loopholes that have been created because of these changes in technology and a more globalised business environment.

This bill does focus on companies that artificially avoid booking revenue in Australia so they do not have to pay tax on the profits. It contains four schedules which together make some progress towards tackling multinational tax avoidance. But they do not deal with the issue of debt deductions, which is the main focus of Labor's $7.2 billion multinational tax package.

In this bill, schedule 1 introduces a new concept into tax law—the 'significant global entity'—which will potentially capture up to 1000 companies with annual income of over A$1 billion. Schedule 2 amends the existing anti-avoidance provision to counter instances where multinational firms use artificial arrangements to avoid paying corporate tax in Australia. The maximum penalties for firms involved in tax avoidance and profit-shifting schemes are doubled in schedule 3. As a result of this change, the maximum penalty is 120 per cent of the amount of tax avoided under the scheme. However, these stronger penalties will not apply where the taxpayer has a reasonably arguable position. Schedule 4 implements the Organisation for Economic Co-operation and Development's action plan on transfer pricing documentation and country-by-country reporting.

As Labor's Shadow Assistant Treasurer Andrew Leigh has pointed out, the new Treasurer cannot say how much revenue will be protected by this package because Treasury, as I and others have already noted, has been unable to cost it. As Dr Leigh also pointed out, if Labor had announced a multinational tax package that was not costed—and if we could not say how much revenue would be raised—we would be laughed out of town and out of parliament. And fair enough too. But we will support this bill, because we know we must protect Australia's revenue base. However, we do so in the hope, as I said earlier, that the government will work with Labor to tighten Australia's tax net. Labor's changes, which we announced back in March this year and which are fully costed, can be implemented alongside the changes in this bill. Our multinational tax package contains four measures which, as I have said, are costed and also, importantly they are fair. As I have already outlined, Labor believes in fairness when it comes to people paying tax.
In 2012-13 companies shifted more than $300 billion between their Australian arms to their parent or subsidiary companies overseas. I fear, however, that those opposite are not serious about tackling this multinational profit shifting and corporate tax avoidance. In fact, this Liberal government has already shown its true colours—its top priority on tax is neither about ensuring big companies pay their fair share nor about helping low- and middle-income Australians get a better deal. In fact, the government's top tax priority seems to be helping big companies keep secret how much they really pay.

Only recently this government gutted Australia's existing tax transparency laws. Labor introduced these transparency laws in 2013 in response to growing concern that some big firms were not paying their fair share of tax. Labor's legislation required the Commissioner of Taxation to publish the total income, taxable income and income tax payable of all entities with annual turnover over $100 million. This measure was designed to discourage aggressive tax practices, better inform public debate about tax policy and help combat the risk of base erosion and profit shifting. The first publication of this information, based on the 2013-14 financial year, was scheduled to be released in late 2015. The transparency laws applied to about 2000 of Australia's biggest firms, but the government recently wound these laws back to narrow the scope so that these laws no longer apply to Australian owned private companies. Specifically, those opposite exempt companies earning more than $100 million from the transparency laws if: the company is an Australian resident private company; or the company is not a wholly-owned subsidiary of a foreign corporate group; or the company does not have a level of foreign shareholding greater than 50 per cent. The impact of the legislation is to exempt around 1,000 of Australia's biggest, privately owned companies, including those owned by James Packer, Gina Rinehart, Lindsay Fox and 7-Eleven owner Russ Withers from disclosure.

Labor knows that improving transparency is one important way to tackle corporate tax avoidance. The contrast could not be clearer. Labor believes in holding big companies to account and ensuring they pay their fair share of tax. The Abbott-Turnbull governments believe in hiding them from scrutiny so that Australians never know how much tax these firms really pay. This government's record on corporate tax is one of inaction and hot air. Since coming to office, the only concrete things they have done are reopen offshore loopholes worth $1.1 billion and help big companies keep their tax dealings secret so that Australians never know what sort of corporate tax avoidance may be going on under their noses.

Only Labor has a proud record of firm action in tackling tax avoidance and only Labor has a real plan to address multinational tax avoidance. The Liberals seem to think it is acceptable to hand back more than $1 billion to big multinationals in their last budget, while at the same time cutting the pension and wanting to make young Australians pay $100,000 for a university degree. Those opposite seem to think that it is appropriate to let the big end of town slide, while at the same time blackmailing and bullying the states and territories into increasing the rate of the GST. Instead of coming to this place with a transparent and robust plan to address multinational tax avoidance, those opposite would prefer to soften up the public for a GST increase—an increase which would hurt low- and middle-income earners.

Modelling recently released by NATSEM shows that an increase in the rate of the GST to 15 per cent would require people in the lowest 20 per cent income bracket to pay seven per cent more of their income, while people in the highest 20 per cent income bracket would pay
just three per cent more of their income. The same modelling also highlights the problems of funding personal income tax cuts with increases in the GST. The modelling shows that increasing the GST to fund a five percentage point reduction in all tax rates would reduce the progressivity of the tax system even more than raising the GST alone. This scenario would see almost two-thirds of households worse off, with the average impact being negative for the bottom three quintiles and positive for the top two quintiles. That is hardly a recipe for 'fair' tax reform.

We know that an increased GST rate of 15 per cent that is also applied to the basics like fresh food, health and education would be a major hit to the cost of living for Australian families, costing the average Australian family an additional $5,000 every year. Mr Turnbull's plan to increase the GST—and, in so doing, hurt low- and middle-income earners—shows just how out of touch he is with the cost-of-living pressures facing average Australian families. Those priorities are warped and unfair. Yesterday, when asked to define what a fair tax system would look like, Mr Turnbull said:

… I think for Australians [it] means that the burden of tax is borne by those who are best able to pay it …

I could not agree more. However, the touted changes to the GST do exactly the opposite. They would see those least able to afford it paying the biggest share of their incomes in GST.

If those opposite are serious about tax reform and creating a fair tax system, then they will adopt Labor's plans for fairer taxes on multinationals. Under Labor's plan, tax deductions would be based on a company's entire global operations, not just what they do in Australia. Labor wants to amend the current thin capitalisation rules to reduce the amount of debt that multinational companies can claim deductions for in Australia. Companies would no longer be able to claim up to a 60 per cent debt-to-equity ratio for their Australian operations. Instead, deductions would be assessed on the debt-to-equity ratio of a company's entire global operations.

We also want to better align Australia's rules on hybrid entities and instruments with tax laws in other countries. Standardising the rules will, we believe, reduce companies double-dipping by claiming tax exemptions in one country and tax deductions in another.

Labor also wants to better resource the Australian Taxation Office so it can properly investigate and pursue multinational profit-shifting. The Australian Commissioner of Taxation has acknowledged that additional compliance checks by the tax office is yielding greater revenue from multinationals.

When Labor's multinational tax package was announced, the shadow Assistant Treasurer, Andrew Leigh, said:

We need a tax system that rewards the productive, the innovative, the resilient, the clever and the competitive. We need an economy that rewards hard work in business. The crucial question is not: who do we want to pay more tax? It's: who do we want to win in our economy?

Labor is passionately pro-business, and we want to see individuals and businesses succeeding. More than that, we want to see all businesses—big and small, local and international alike—have a fair chance of succeeding because they are competing on a level playing field where the same rules apply to all.

I implore the government to consider Labor's proposals. I also implore the government to commit to a formal review of this multinational tax bill by 2018, as recommended by the
report of the Senate Economics Legislation Committee. The measure in this bill is really an uncosted and untested approach to tackling multinational profit-shifting. Accordingly, it is only proper that Treasurer Morrison commit to an evaluation within three years of its 2016 start date to determine whether it has successfully stopped companies from siphoning profits offshore.

Labor has consistently said that the government's tax package does not go far enough because it does not target debt deductions. But we are supporting the government's bill because we understand that protecting Australia's revenue base is too high a priority for it to be caught up in politics. I hope that those opposite can come to the same understanding and adopt Labor's plan—a plan to really tackle tax avoidance on all fronts.

Senator IAN MACDONALD (Queensland) (13:07): The Tax Laws Amendment (Combating Multinational Tax Avoidance) Bill implements some measures announced in the 2015-16 budget by the then Treasurer Joe Hockey. Mr Hockey will be well and favourably remembered in this place and in Australia for many things, but perhaps one of his biggest achievements during his time in this parliament was the work he did on addressing multinational tax avoidance laws—not just in this country but throughout the world. I recognise Mr Hockey's leadership at the G20 when this matter became a real issue, and it was a result of the G20 actions in Brisbane, as I recall, that global work started to address what is an issue of great concern not only to Australia but to many, and perhaps most, countries around the world.

I am delighted to be speaking in support of the bill. I hear what the previous speaker says about adopting some measures from the Labor Party. With due respect, the Labor Party was in power for six years—six long years, many Australians would say—and they did not do one thing towards dealing with multinational tax avoidance in that whole time. As an aside, it is a bit like the submarines—they never did anything in relation to the replacement of the submarines. Never was any serious decision made during the six years of Labor government. I appreciate what I take to be the support of the Labor Party on this bill but I do hear with some scepticism the urgings of the previous speaker that we should adopt Labor Party principles. As I say, actions always speak louder than words and it would have been good to see some action by the Labor Party during the six years they were in government.

This bill ensures that multinational companies operating in Australia pay a fair share of tax in Australia. Some multinationals—I emphasise 'some'—are artificially structuring their operations to avoid Australian tax by booking revenue from Australian sales offshore. This means, obviously, that they have an unfair advantage over local businesses and families and small businesses, who have to shoulder more of the tax burden because it undermines confidence in the tax system. There has been a lot of chatter in the last few weeks about tax reform. I want to emphasise that, unlike our opponents, when we talk about tax reform we are not talking about tax reform as an end in itself—the coalition, in having a wide discussion about tax and financial reform across the board, is about helping growth in our country, because growth means more jobs and a better standard of living for all Australians. We are about growth in the economy, growth in business activity, which means growth in employment activity and a better life for all Australians.

The multinational tax avoidance bill will allow the Commissioner of Taxation to treat these large multinationals as though they have a taxable presence in Australia and are subject to
Australian tax. I should pay tribute to my colleague Senator Heffernan. Senator Heffernan has been on about this issue for more than a decade. In his own inimitable style, Senator Heffernan has raised this in many forums, with his words often falling on deaf ears. But he has persisted. I do not always agree with everything Senator Heffernan says on this issue, but I do want to acknowledge that part of the reason this parliament is currently addressing this problem is the advocacy work over many years of Senator Heffernan, and all credit to him. I understand he will be speaking later in the debate. I am sure he will say some things I do not agree with, but I do recognise and applaud the work Senator Heffernan has done over many years.

Senator Heffernan used to raise this with me years ago and I used to say to him that I thought we were clever enough to tax multinationals that exported profits overseas. I do not recall the detail, but I thought this was a big issue back in the fifties and sixties. I was only a very young person in those days, but there was this issue, as I recall, about General Motors-Holden's. They were making little profit in Australia but they were exporting profits back to Chicago. I understood that the Australian parliament in those years passed some laws that said we did not really care what they sold the vehicle for—we knew what they should be sold for so we assumed that that was what they had in income, whether or not they had it, and we taxed them accordingly. I remember saying to Senator Heffernan that I knew that had happened in the motor industry back in the fifties and sixties and I could not understand why we were not doing it now. Senator Heffernan had told me that he had spoken to the tax commissioner and there were reasons—which perhaps I never understood and if I did understand them I have forgotten—why that could not be applied more widely. I am pleased to see that this bill will ensure what all Australians want. I assure any listeners that the government is determined to maintain the integrity and fairness of our tax system and to ensure that companies who do operate in Australia, who do have economic activities in Australia, pay Australian tax.

There are some members of the Labor Party and the Greens here, and they might recall that early in the term of the Abbott government there was a surcharge being placed on all individual incomes to try to pay off Labor's debt, which if unaddressed would have approached $700 billion. You will remember that when the Labor Party took office they had $60 billion in credit in the piggy bank for a rainy day. Within a few years, they had blown the $60 billion and run up a debt of $100 billion. It got up to $200 billion and, if it had been unaddressed, it would have reached $700 billion.

One of the ways that the then Abbott government thought we might do something about it was to have a surcharge on incomes of individual people. I spoke against it. If I could have found another to call 'no', I would have voted against that, not because I objected to the surcharge on individual incomes. What I objected to—and as I said in a speech at the time—was that companies, many of which were multinational and many of which had few Australian shareholders, if any, were being let off scot-free. I could not understand that. I said to the Labor Party and I said to the Greens, 'Why aren't you with me? Why won't at least one of you call "no" with me so at least we can have a vote on this?' I repeat, it was not that I wanted to, in any way, avoid the surcharge on high income areas—I was totally in favour of that. But I did want to include multinational companies. I think I gave the suggestion that anyone making more than $5 million profit should pay a surcharge as well. It seemed
perfectly reasonable to me. But did I get any support from the Labor Party? Did I get any support from the Greens, who are always on about multinational companies and how they are ripping off the world and how bad these people are? Did I get even a word of support from the Greens in that debate? Of course not. So it always makes me critical, particularly of the Greens. But the Labor Party are in the same category. They are hypercritical of all these stories about rip-offs by multinational companies. Yet when they had an opportunity to do something about it, where were they? They were missing in action yet again. That is the Greens political party all over—hypocrisy, hypocrisy, hypocrisy. If I had 10 hours to talk, I could give you—


Senator IAN MACDONALD: Tell you about Bob Brown's boat that was in the Cairns harbour and dropped oil into Cairns harbour in the Great Barrier Reef? Is that what you want me to tell you about?

Senator Whish-Wilson: Yes, that is it. That is what you want to tell us about.

Senator IAN MACDONALD: Well, if that is what you want to hear, Bob Brown was involved with Greenpeace. They took their Greenpeace ship into the Trinity Inlet in Cairns and dropped some oil into the inlet. Trinity Inlet, for those who do not understand, is just off the Great Barrier Reef. So the Greenpeace ship is the only ship that I have known in recent times that has actually polluted the Great Barrier Reef. Did we hear anything from the Greens about that at the time? Not a word.

Senator Whish-Wilson: But we heard it from you. We hear it from you every day.

Senator IAN MACDONALD: They were treated leniently by the Cairns magistrate. I think they were find only $15,000. The excuse was they had a new engineer who could not read the English words on the thing and he forgot to shut off some valve or something. I think they were fined $15,000, I might say to the Greens so they can pass it on to their mates in Greenpeace. I was waiting and waiting to see whether they paid that. Wasn't I waiting for the day when the time came that they were going to be arrested! But they did do what they were supposed to do, and they actually paid the fine that was imposed. Perhaps, Mr Graeme Wood would have contributed to it, Senator Whish-Wilson—you know, the guy who supported the Greens political party with the biggest ever private donation to any political party in the history of Australian politics. He is a certain gentleman who I have known. I do not particularly blame him. But he gave it to the Greens who, with their normal hypocrisy, slag anyone else who receives donations from private sources. But when they are the recipient of the biggest ever individual political donation of any party at any time in Australian history, then that is okay. That is just the hypocrisy. But I have distracted myself because of the interjections.

The government is leading this fight against multinational tax avoidance. I mentioned that Mr Hockey was president of the G20 in 2014. I am very proud about this. We led the global response to tax avoidance. Last year, the government did strengthen our defences against tax avoiders by tightening our thin capitalisation rules and limiting the scope for multinationals to claim excessive debt reductions. We did already have some regulations in place, but they were being avoided. This measure that we are dealing with today is only one part of a package. This bill will also implement country-by-country reporting, which was a
recommendation by the OECD and the G20, and it will increase the penalties for those engaged in tax avoidance and profit shifting. As we announced in the 2015-16 budget, the government is actioning four key G20 OECD recommendations that came out of that 2014 conference. In addition to implementing country-by-country reporting, the government is consulting on rules targeting hybrid mismatches and is taking action on harmful tax practices and treaty abuse rules. Although Australia does not engage in harmful tax practices, the ATO has commenced exchanging information on secret tax deals provided to multinationals by other countries that may contribute to tax avoidance in Australia.

In relation to treaty abuse, the government is taking action to incorporate the OECD's recommendations into our treaty practice. We are also taking further steps to increase public disclosure through the development of a voluntary transparency code by May 2016. That code will enhance public confidence in the tax system and the community's understanding of the tax affairs of large companies. The government is also ensuring that the tax office has unprecedented resources to deal with international tax avoidance. That is very important because adherence to these rules is something that is not cheaply gained. It does require resources and the government has provided an additional $87.6 million to the ATO to investigate international tax avoidance. To date, the program has raised over $400 million in tax liabilities—not bad for an investment of an additional $87 million. The additional investigative and compliance work of the ATO has raised over $400 million, so that is pretty good, and it is estimated that this action by the ATO will raise $1.1 billion in total.

This is a bill that I hope has multi-party support. It is something that, as I say, some of us in this chamber, particularly Senator Heffernan, have been talking about for more than a decade. This is a first step towards addressing those issues and I encourage all senators to support it.

Senator LUDWIG (Queensland) (13:23): I also rise to speak on the Tax Laws Amendment (Combating Multinational Tax Avoidance) Bill 2015. It is interesting to note that the Treasurer has outlined that there is further work to be done in this area. It is clear from the cursory examination so far in this debate that, whilst supported in this instance by the Labor Party, there is more work to be done by the government. The paper 'Australian Tax Brief—Multinational anti-avoidance law and country-by-country reporting' points to more work that is required to be undertaken. When you look at the overseas experience, it is well noted that they, too, have examined this area and believe there is more work to be done. An OECD report supports Australian government action on multinational tax avoidance. It all points to the clear view—held, I think, by both this government and Labor—that it is time for work to be undertaken. There is some criticism that this government is acting too early and should wait for the OECD to outline a more global policy in this area, but figures in a 2014 report of the Tax Justice Network allege that the 200 largest publicly listed entities in Australia had an effective tax rate of 23 per cent over the last decade. Further, the report alleges that 29 per cent of these entities had an effective tax rate of 10 per cent or less and 14 per cent had an effective tax rate of zero per cent. It is clear that there is a quite compelling argument to act now. In doing that, this bill, I think, is the first in a number of bills that will address this over time.

The bill amends the Income Tax Assessment Act 1997, the Taxation Administration Act 1953 and the Income Tax Assessment Act 1938 to strengthen tax avoidance laws for certain multinational entities. This bill has four schedules. Schedule 1 introduces the new concept of
'significant global entity', being an entity with an annual global income exceeding A$1 billion. This will capture 1,000 companies that represent the highest risk to Australia's corporate tax base. Schedule 2 introduces anti-avoidance measures to deal with significant global entities that put in place schemes using artificial or contrived arrangements to avoid the attribution of business profits to Australia. The schedule targets multinationals which artificially avoid having a permanent establishment in Australia for the purpose of avoiding tax. Schedule 3 doubles the existing maximum penalties for significant global entities involved in tax avoidance and profit-shifting schemes. However, stronger penalties do not apply to those entities that have a reasonably arguable position. This will ultimately ensure that penalties are not increased where a breach is the result of uncertainty of the tax laws. Finally, schedule 4 requires significant global entities to provide transfer pricing documentation, including financial reports, on a country-by-country basis. This implements the recommendation by the Organisation for Economic Cooperation and Development—the OECD, which I spoke of earlier—and the G20. Country-by-country reporting requires significant global entities to provide three statements to the tax commissioner with relevant and reliable information in order to carry out transfer-pricing risk assessments.

Labor is taking a bipartisan approach to this important issue and will not stand in the way of attempts to tighten Australia's tax net, no matter how small or insufficient these may be. We have a stronger view in this area. We believe that tackling tax avoidance and protecting Australia's revenue base should be beyond the usual political divide. We are committed to ensuring that large multinational companies pay their fair share of tax in Australia. Labor is aware that every dollar of Australian tax avoided must be made up somewhere else. The revenue has to come from either small businesses or individuals or a reduction in services. Those Australian workers who pay their fair share of tax should be treated fairly when it comes to multinationals. While huge global firms earning billions of dollars in revenue in Australia can avoid contributing to the things that make this possible, like our roads, schools, justice system and other public services, it would seem remiss of the Labor Party to say to those individuals paying their fair share of tax, 'It's okay for you to pay your fair share of tax, but it's okay for multinationals to continue to use methods to avoid contributing likewise.'

A person earning the average Australian wage pays about 21 per cent in tax; a small business pays the corporate tax rate of 30 per cent on their profits. However, in the past few years there have been increasingly regular reports about large companies paying just a fraction of this amount. The Senate's recent corporate tax inquiry heard evidence that one big multinational firm may have paid as little as two per cent tax on billions of dollars in revenue. Australia is quite clearly losing billions of dollars in forgone tax revenue, while hardworking individuals are forced to pay the right amount of tax. With the level of debt rising under the coalition, Australia simply cannot afford to let tax revenue drain away offshore.

The four schedules in the bill do make some progress towards combating multinational tax avoidance; however, Labor does believe that more is needed in this area. This bill takes an untested approach to closing loopholes. There are no precedents for this approach around the world, so it remains to be seen if this bill will protect even one extra dollar of Australian tax.

But it is worth putting the wood on the coalition. They should, with the implementation of this bill, outline what, over time, it recovers and how it recovers the multinational tax revenue into consolidated revenue.
Six months ago Labor laid out a multinational tax package that would have raised $7.2 billion by tackling debt deduction arrangements to stop companies double-dipping on tax benefits and increasing resources for the Australian tax office. In 2012-13, companies shifted over $300 billion between their Australian arms to overseas parent or subsidiary companies. Labor's priority will be to shut down loopholes that allow big multinationals to send profits offshore.

Labor has been calling for more action on multinational tax for over two years. The Liberals have been, I think, sitting on their hands on this for some time. They have now been effectively forced to act. So the Liberals are acting, but I think it will be seen to be a very small contribution to the overall effort and they will continue to wait to see what the international fora do, before again deciding, I suspect, to have another inquiry into whatever the overseas jurisdictions decide to do. In other words, they will continue to just push the ball down the hill and hope that something else might come along to distract the public from the overarching need for reform in this area.

In the last budget they handed back more than $1 billion to big multinationals, but they cut the pension and want to make young Australians pay more for a degree. It is clear that they have continued to protect the big end of town in this debate. I suspect that that is in their DNA and that they will continue to do that. I think that is evidenced by this bill we have today. It is a sop to the area; it is saying, with their hand on their heart—as cold as that might be—'We are doing some work in this area.' But I do not think it is serious enough nor sufficient to justify that.

Labor's package contains four measures which have been costed by the independent Parliamentary Budget Office. This side thinks that this type of work should go ahead and create more outcomes for the Australian people. The first measure is a worldwide gearing ratio. This will ensure that tax deductions will be based on a company's entire global operations, not just what they do in Australia. Deductions will be assessed on the debt-to-equity ratio of a company's entire global operations rather than allowing companies to claim up to a 60 per cent debt-to-equity ratio for their Australian operations.

The second measure is hybrid mismatches. This measure will standardise our tax law with other countries so that companies can't 'double-dip'. Standardising the rules on hybrid entities and instruments with tax laws in other countries will reduce opportunities for companies to double-dip by claiming tax exemptions in one country and tax deductions in another.

The third measure is increased ATO compliance. This measure will improve compliance with the ATO by providing effective funding. Under Labor's policy, the ATO will have the resources it needs to properly investigate and pursue multinational profit shifting. We do not want additional funding provided to the ATO under the previous Labor government to expire, as evidence from Senate estimates and from the Australian tax commissioner himself showed that additional compliance activity from the tax office is yielding greater revenue from multinationals. In other words, pursuing greater compliance does work.

The final measure is third party data matching and an early start date. This measure was announced by Labor in the 2013-14 budget to bring forward the start date on improving compliance through third party reporting and data matching. This has been delayed by the government until 1 July 2016. Again, what we see is a government that simply wants to kick
the ball down the road. It does not want to effectively deal with taxing multinationals fairly for the Australian people.

What it does want to do is give more time, because even these small measures raise the hackles of the various tax institutes—the Australian Banks Association and like organisations. I think they are crying crocodile tears on behalf of their constituents, because what is clear is that, when you look at the figures I quoted at the beginning, there is an overarching need to act in this area.

Labor will form a multinational tax expert panel to assist with the implementation and refinement of these measures, to ensure that these changes work as intended. What is clear is that there will be—always will be—a sharp practice and a smart practice by very good accountants and lawyers to try to keep in front of this type of legislation. That will go on. It goes on in other areas, and it is not surprising you will find it here. That is why you do need a tax expert panel to continually look to see what practices are being undertaken by business, to ensure that they do not short-change the Australian people and are paying their fair share of tax.

In supporting this bill, Labor is demonstrating our willingness to work constructively with the government to tighten Australia's tax next. In the same spirit, the government should adopt our $7.62 billion tax package and tackle all the loopholes that let companies send their profits offshore. It goes without saying that our laws do need to be continually updated to close loopholes, because changes in technology and a more globalised business environment will continue to create new avenues to be pursued. And of course it would be unfair for a multinational company not to use those new changes in technology and, of course, take advantage of a more globalised business environment. So any compliance framework, any laws, should always be kept up to date to ensure that they continually pay their fair share of tax.

In 2013, Labor passed law requiring the ATO to publish information about the income and tax paid by companies earning more than $100 million. This law applied to only about 2,000 of Australia's biggest firms. The government now wants to carve out about 800 of these companies so that they can continue to keep their tax affairs secret, arguing that private firms should not be held to the same standard of accountability as publicly-listed companies. Australians would then be in the dark about whether major corporations are paying their fair share of tax, without greater transparency. I think it says a lot about this government's view about ensuring that there is no transparency, not only in this area but in others.
We ought to aim to create a level playing field for everyone who does business in Australia. Multinationals should not have greater access to tax breaks than do individuals and small businesses, simply because they can afford to pay for better accountants and lawyers and can spend a lot more on them. Australian businesses should be competitive, because they can innovative and they are efficient, not because they are testing themselves against the limits of our tax laws.

The coalition should support Labor's multinational tax package, alongside this suite of reforms. It is the only way to ensure that we can close loopholes and not advantage the big end of town. But I do not have a lot of faith that the coalition would support a fair, open and transparent tax package that would do just that. I think they simply want to kick the ball down the road a little bit and hope that it might all go away at some point.

Senator KETTER (Queensland) (13:42): I rise to make a contribution in respect of the Tax Laws Amendment (Combating Multinational Tax Avoidance) Bill 2015. Before I go into my prepared comments I cannot miss the opportunity to respond to the contribution of Senator Macdonald earlier in the proceedings. Senator Macdonald generally makes contributions that I find somewhat entertaining. I note that Senator Macdonald is occasionally prone to the odd rhetorical flourish and some extent of hyperbole, but when Senator Macdonald comes into this place and makes some comments that are blatantly factually incorrect, then one cannot allow the record to remain uncorrected.

At the outset of his contribution, Senator Macdonald made the comment that during the course of the previous Labor government no attempts whatsoever had been made to do anything about multinational tax avoidance. As Senator Ludwig has just alluded to in his contribution, there are some examples of the contribution that Labor has made in seeking to address this area. In 2012-13 the Labor government introduced the Tax Laws Amendment (Countering Tax Avoidance and Multinational Profit Shifting) Act 2013, which plugged loopholes in Australia's transfer pricing rules and anti-avoidance provisions. Perhaps Senator Macdonald should go back and have a look at that provision.

The interesting thing to note about that is that, in opposition, the coalition voted against these measures, which is quite extraordinary, and I know other speakers have made reference to the particular fact that there have been some conflicting positions put by the coalition. In fact—and I think it has already been referred to, but I cannot resist the opportunity to reiterate the point—when we sought to tighten the provisions of part IVA of the Income Tax Assessment Act in 2013, Mr Hockey announced that our reforms were:

... an unnecessary overreaction. More red tape for business—when is it ever going to stop? More compliance costs for business—when is it ever going to stop?

We know that the coalition has been, in my opinion, dragged kicking and screaming to the current debate. They accept, because of movements internationally, that there is a need to do something.

As I stand here today, the opposition is not opposing the approach being put by the government. But I think it is fair to say that our approach is tinged with disappointment because there is so much more that could be done in this space. When we have an environment where there is a bipartisan mood to address this issue and to do it in a much more comprehensive manner, the coalition has really dropped the ball and is doing, one could argue, as little as possible in this area.
I want to reflect on the fact that, in the spirit of bipartisanship, the Labor Party has offered a fully costed and carefully calibrated package of measures that would keep $7.2 billion worth of tax in Australia over the next decade. We talk about having a 'budget emergency' in the 2014 context, and this was something that was offered as a genuine attempt to address not only the budget issues but also a real problem in our taxation system. The Labor package included changes to the arrangements for how multinational companies claim tax deductions, greater compliance work by the ATO to track down and tackle corporate tax avoidance, cracking down on multinational companies using hybrid structures to reduce tax, and improved transparency and data matching. This approach has been costed and we know that the approach proposed by Labor would work. It is a responsible approach in this area. Unfortunately, the coalition has seen fit to reject it and has gone down a different track.

As I indicated, we do not oppose this bill, but we do express our extreme disappointment that the opportunity for something more substantial to be done has been lost, particularly when we have the groundwork that has been laid by the Senate Economics References Committee, which looked at this issue over the past 12 months, and when the community sentiment is that something more significant needs to be done. Unfortunately, this is not evident in the bill that we have before us.

Taxation avoidance by global companies operating in Australia is a scourge that must be eradicated. The globalised nature of the world economy has led to a natural tendency for corporate giants to operate on a global scale while exploiting the opportunities presented by national taxation systems. The problem is pervasive and extensive, and it is hard to disentangle global supply chains to work out where profits are actually generated. Some technology companies are able to seamlessly operate on a global scale and reap massive profits through internet based businesses that are not visible to the local tax authority. Even the production of goods—TVs, mobile phones, cars et cetera—is performed through a global production system where it is difficult to track where the production of individual components occurs, where value is added, where loan finance is raised and paid, and where marketing operations are based and so on. We know that companies adopt financial strategies that shift most of the earnings of the wealthiest companies operating in Australia to other jurisdictions where their tax burden will be lower. The issue is to ensure that the tax that they pay in Australia is representative of the profits they earn in Australia.

Evidence has come to light that multinational companies in Australia have been using cost-shifting strategies to avoid paying tax in Australia. As a member of the Senate Economics References Committee, I have had the privilege of being present in a number of the inquiries where, for example, the tech companies were involved. These companies are the subject of the Senate Economics References Committee's report. Firstly, I want to touch on one company. It was very, very disappointing to me as an Apple customer to see what I considered to be the fairly aggressive taxation planning approach by this company operating in Australia. We know from what has come through the committee that Apple paid just $80 million in the 2013-14 financial year on local revenue estimated at around $6 billion. That compared, as we know, with the Australian company Harvey Norman, which paid $89 million on revenue of $1.5 billion. These examples have electrified the community. We have seen people outraged by these examples of aggressive taxation planning. We also saw Google come forward and provide information about their approach, which involves offshore
arrangements for profit. Another example is James Hardie, which managed to record a net taxable loss, despite annual profits of over $200 million and being able to pay $600 million in dividends to its shareholders over the past two years. Then there is the mining company Glencore. It is alleged that Glencore paid no tax in Australia over the past three years despite earning revenue of $15 billion.

Tax avoidance is an issue that affects everyday Australians. It is not an academic debate and it is not an arcane technical debate; it is a debate which has real impact on ordinary Australians. Firstly, the tax raised as revenue for Australia needs to fund all of the services that keep this great country of ours going. Multinationals operating here are taking advantage of our world-class education system, communications, electricity, roads, bridges and basic services. Without these we would be an impoverished society that would not generate the profits that are able to be earned. Now we have a situation where the burden of tax is falling on local families and businesses disproportionately. While everyday Australians are faithfully paying their fair share of tax and buying the products that multinationals are selling, they have no idea that every cent that they spend is leaving the country for good. To take the James Hardie example, their loss is claimed as a tax deduction linked to the compensation fund set up for the victims of asbestos—something they tried to avoid altogether, and now Australian taxpayers are subsidising James Hardie's compensation to asbestos victims.

What do we need to do about this? We only heard this week about another resource company operating in Australia which is able to avoid tax in very substantial measure. The proposed multinational anti-avoidance law would force multinational companies with significant interests in Australia to pay their fair share of tax. At this stage, 80 large multinationals have been identified as having significant activities in Australia. These companies will have to report to the ATO fully on their economic activities in Australia and will be forced to pay tax on profits from these activities. While this is a step forward, we in the opposition would like to see more done to prevent the strategies that make tax avoidance a possibility in the first place. At the moment we are simply addressing the symptoms of the problem when the ATO notices something is not right, but we would like to see more done to restrict the types of transactions that are used in the first place.

The PBO's work indicates our package would add $7.2 billion to the budget bottom line over the coming decade. We do not have access to the financial records of international mining companies, so we will leave it to the ATO to decide how much tax they would be paying when significant projects came online. These reports highlight the need to look closely at the role debt deduction plays in complex multinational tax structures. Labor's package targets these deductions because they provide a way for companies to shift profits from Australia to low-tax jurisdictions overseas. So far the Abbott-Turnbull government has refused to even consider closing these loopholes. Their only answer is to jack up the GST. Labor is supporting the government's multinational tax bill through the parliament because we believe protecting Australia's revenue base should be above party politics. The government should take the same approach and urgently implement Labor's $7.2 billion package.

I want also note that, given that we are adopting an approach which is untested throughout the world, we believe that there is a need for this untested approach to be reviewed at the appropriate time. We are saying that the government should commit to a formal review of the bill by 2018, as recommended by the Senate Economics Legislation Committee recently. The
committee's report, which I recommend to senators, reflects Labor's reservations about the
government's untested approach to tackling multinational profit-shifting. The committee's
report recommends that the bill be evaluated within three years of its 2016 start-up date to
determine whether it has successfully stopped companies siphoning profits offshore. With
Treasury unable to say how much revenue the government's plan might return to Australia
and no other country having successfully implemented Australia's approach, it is right that the
tax bill should be subject to serious evaluation in the future.

A review of the bill would touch on a number of issues. We would need to look at how
many successful tax avoidance cases the ATO has concluded under the new rules. We would
want to know how much additional revenue has been collected in Australia because of the
new rules and we would like to know how much time and money the Australian Taxation
Office has spent in court pursuing cases under the new rules. Also, we would want to know
how many disputes or conflicts with foreign tax laws have occurred as a result of the new
rules. We call on the Treasurer to make a public commitment to carry out this review and
name the date by which it would be completed. Labor has consistently said that the tax
package does not go far enough because it does not target debt deductions.

STATEMENT BY THE PRESIDENT
Parliamentary Language

The PRESIDENT: Yesterday I undertook to review the audiovisual footage of question
time and also review the Hansard. I have done that, and I have spoken to senators Fifield and
Conroy. I invite Senator Fifield to withdraw remarks made yesterday.

Senator Fifield: I withdraw.

The PRESIDENT: Likewise, Senator Conroy.

Senator Conroy: I withdraw.

MINISTERIAL ARRANGEMENTS

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive
Council and Leader of the Government in the Senate) (14:00): by leave—I advise the Senate
that Senator Nash, the Minister for Rural Health, will be absent from question time today and
for the remainder of the sitting week for personal reasons. During Senator Nash's absence,
Senator Scullion will take questions relating to the rural, health, aged care and sport
portfolios.

QUESTIONS WITHOUT NOTICE
Taxation

Senator CAROL BROWN (Tasmania) (14:00): My question is to the Minister for
Finance, Senator Cormann. Does the minister stand by his 2013 commitment that the:
GST won't change if we're elected to govern on September 7.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the
Government in the Senate) (14:01): We made a very clear commitment in the lead-up to the
last election that if we were elected in 2013 the GST would not change. We are, absolutely,
standing by that commitment. What we are also doing is engaging in a discussion on how we
can strengthen the Australian economy further. In order to ensure that the Australian economy
is as strong as it can be and we create a better opportunity for people to get ahead and get a job we need to have a growth-friendly tax system.

After we got rid of Labor's disastrous mining tax, after we got rid of Labor's disastrous carbon tax, after we gave a company tax cut to small business and after we decided not to go ahead with Labor's bank tax we have, as we always said we would, initiated a discussion and a consultation, in good faith, with the Australian people and with the states and territories about how our tax system could be further improved to strengthen growth. Guess which state government leader was one of the earliest to suggest that we should look at the GST: it was the then Tasmanian Labor Premier Lara Giddings. Go and ask Lara Giddings. When she was coming to Canberra for more money for the state government in Tasmania, for health and education and the like, the Tasmanian Labor Premier Lara Giddings was suggesting that the federal government look at the GST.

We are working, in good faith, as we are developing our agenda for stronger growth that we will take to the next election, on how we can improve our tax system to make it more economic-growth friendly. That is a responsible course of action. That is what any good government would do. The Labor Party are going into a desert of negativity. We have the Leader of the Opposition trying to run a scare campaign, which has scared all of the Labor people, but we are not scared on this side. (Time expired)

Senator CAROL BROWN (Tasmania) (14:03): Mr President, I ask a supplementary question. Does the minister stand by his commitment that:

Under the Coalition there will be no cuts to hospitals, schools, defence or pensions and no increase in the GST.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (14:03): As the good senator would know, federal government funding for health, education and pensions continues to increase. The age pension is going up twice a year. Every six months the pension goes up. Do you know what else is happening? Every year, the Commonwealth government is putting more money into state hospitals and state schools. What this government will continue to do, as part of our focus on stronger growth, more jobs and giving everybody the best opportunity to get ahead, is ensure that our spending at a federal level is affordable and the economy is sustainable. We are not making any apology for making sure that the important expenditure on the social safety net and on health, education, national security, defence, border security and so on is affordable over the medium to long term. We know that the Labor Party keeps putting their head in the sand. You stay there—it's a good view, isn't it?

Senator CAROL BROWN (Tasmania) (14:04): Mr President, I ask a further supplementary question. Was the industry minister, Mr Pyne, correct when he told a group of coalition members of parliament, yesterday, that the Turnbull government would not be taking an increase to the GST to the next election?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (14:05): The Turnbull government is focused on doing everything it can to strengthen growth and strengthen the opportunity for everyone across Australia to get ahead. Over the last two years, this government has implemented a strong growth agenda. We got rid of Labor's lead from our saddlebags—the mining tax and the carbon tax. We reduced red tape costs for business by $2 billion a year. We are pursuing an ambitious free trade
agenda, with free trade agreements with Korea, Japan and China. We are pursuing an ambitious infrastructure investment program—

*Opposition senators interjecting—*

The PRESIDENT: Pause the clock! Order, Minister. Order, on my left.

Senator Moore: Mr President, I rise on a point of order going to direct relevance to the specific question. If you look at the question there is only one element, and that was to ask the minister about the comments by Minister Pyne about whether the Turnbull government would be taking a GST to the election. We have not got close to that, so far, and half the time has gone.

The PRESIDENT: I remind the minister of the question. The minister has 27 seconds in which to answer.

Senator CORMANN: What I can say to the good senator and to the Senate is that the next frontier of the government's efforts to strengthen growth and create more jobs is the innovation package, which minister Pyne is leading the charge in developing. And our efforts to ensure that we have a more growth-friendly—

*Opposition senators interjecting—*

The PRESIDENT: Pause the clock! Order, Minister. Order, on my left.

Senator Moore: Mr President, I rise again on a point of order going to direct relevance. The term 'GST' has not passed the minister's mouth.

The PRESIDENT: I notice that the minister did mention Minister Pyne's name, but I remind him of the question. Minister, you have six seconds in which to answer the question.

Senator CORMANN: I know that sections of the media and the Labor Party are getting way ahead of themselves. We are focused on stronger growth. *(Time expired)*

**Trade with China**

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (14:07): My question is to the Cabinet Secretary, representing the Minister for Trade and Investment. Will the Cabinet Secretary update the Senate on progress of the China-Australia Free Trade Agreement coming into force?

Senator SINODINOS (New South Wales—Cabinet Secretary) (14:07): I thank Senator Bushby for his question and his ongoing interest in expanding Australia's trade opportunities for the great state of Tasmania. ChAFTA is set to come into force by the end of this year. This is great news for Australians. The Customs Amendment (China-Australia Free Trade Agreement) Bill 2015 and the Customs Tariff Amendment (China-Australia Free Trade Agreement) Bill 2015 passed the Senate last night after having passed the House of Representatives last month—a great achievement for the House of Representatives and a great achievement for the Senate. Associated with this, the Executive Council will shortly consider amendments to several regulations.

*Opposition senators interjecting—*

Senator SINODINOS: Hang on, this bit should interest you. After this, and once China has completed its treaty ratification process, ChAFTA will enter into force. This is important for Australians across the country who are listening to this broadcast, because it means there
will be an immediate round of tariff cuts, and this will be followed by a second round of tariff cuts on 1 January 2016.

I congratulate Andrew Robb, the Minister for Trade and Investment—a great Australian trade minister. The minister has been an indefatigable advocate for free trade and for Australia's national interest since coming into office in 2013. Over the past two years the minister has concluded four free trade agreements, including ChAFTA. These agreements cover a large part of the Asia-Pacific region and capture a significant part of global economic activity. The Japanese, Korean and Chinese free trade agreements collectively account for more than 62 per cent of Australia's export market and give Australian businesses access to more than 1.5 billion consumers.

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (14:09): Mr President, I ask a supplementary question. Will the Cabinet Secretary inform the Senate of the benefits set to flow to Australians thanks to the passage of the ChAFTA legislation?

Senator Whish-Wilson: Show us your modelling on this—come on!

Senator SINODINOS (New South Wales—Cabinet Secretary) (14:09): 'Show us your modelling'—you don't want to see my modelling! As mentioned, Australian exporters will benefit from two tariff cuts within the next eight weeks, eliminating tariffs on beef within nine years, dairy within 11 years, sheepmeat and goat meat within eight years and pork within four years. Fruit and vegetables, wine, cereals, seafood, a host of processed foods and even hides will all have tariffs eliminated within seven years. But the benefits do not flow just to goods exports. Australian services, the major component of our economy, are set to gain. Education providers, financial services, tourism operators, and health and aged-care services, amongst others, are all set to have red tape slashed and greater access into Chinese markets.

I also take the opportunity to thank the opposition for their support of ChAFTA. This continues a longstanding tradition of bipartisanship when it comes to free trade.

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (14:10): Mr President, I ask a further supplementary question. Is the Cabinet Secretary aware of how Australian businesses are preparing for ChAFTA coming into force?

Senator SINODINOS (New South Wales—Cabinet Secretary) (14:10): Businesses right across the country are getting ready for the benefits of ChAFTA to kick in. The Mildura Fruit Company is located in the birthplace of one of my great friends and colleagues, the Minister for Cities and the Built Environment, Mr Briggs. One of Australia's leading citrus packers, Mildura Fruit Company, situated in the picturesque north-west corner of Victoria, is gearing up for ChAFTA. Senator McKenzie is getting very excited. China has become a major destination for the Mildura Fruit Company, after exporting there in 2011. Mildura Fruit Company source from orchards across New South Wales, Victoria and South Australia.

Perry Hill, the General Manager of Mildura Fruit Company, has said the big market in China for citrus fruit has been tough to compete in against Southern Hemisphere competitors such as Chile, who already has an agreement with China. Mr Hill says:

ChAFTA means that tariffs of up to 12% across oranges and mandarins will be eliminated over the next 8 years. This outcome will make our fruit more and more competitive …

(Time expired)
Foreign Investment

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:12): My question is to the Minister representing the Minister for Trade and Investment, Senator Sinodinos. Can the minister outline the importance of foreign investment in Australian agriculture?

Senator SINODINOS (New South Wales—Cabinet Secretary) (14:12): I welcome the question from the Leader of the Opposition in the Senate, because foreign investment has been important in the history of this country for the last 200 years. We as a country have needed foreign investment in order to supplement domestic savings and allow us to invest at a higher level than would otherwise be possible. It is true—this is where the Leader of the Opposition in the Senate is leading—that over time we have had mechanisms like the Foreign Investment Review Board to scrutinise foreign investment proposals in particular sectors, some more sensitive than others. The whole rationale for that has been to assure the community—

Senator Cameron interjecting—

Senator Williams interjecting—

The PRESIDENT: Order! Senator Cameron and Senator Williams! Cabinet Secretary.

Senator SINODINOS: Foreign investment has been important across the whole of our economy, but the Foreign Investment Review Board is an important mechanism to scrutinise proposals to give an assurance to the Australian public that that investment is in our national interest. It is very important we understand that. So we welcome foreign investment, but we welcome it on our terms, depending upon the sector of the economy and the sensitivity of any particular sector. The agricultural sector has been a great beneficiary of foreign investment since 1788.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:14): Mr President, I ask a supplementary question. Can the minister outline the risks associated with creating additional barriers to foreign investment in Australian agricultural land and agribusiness?

Senator SINODINOS: Foreign investment has been important across the whole of our economy, but the Foreign Investment Review Board is an important mechanism to scrutinise proposals to give an assurance to the Australian public that that investment is in our national interest. It is very important we understand that. So we welcome foreign investment, but we welcome it on our terms, depending upon the sector of the economy and the sensitivity of any particular sector. The agricultural sector has been a great beneficiary of foreign investment since 1788.

Senator WONG: Mr President, I ask a further supplementary question. Does the minister agree with the National Party's Senator Williams, who advocates a complete ban on foreign investment in Australian agricultural land, saying, 'Let's sell them what the land grows, not the land'? Does the minister agree?
Senator SINODINOS (New South Wales—Cabinet Secretary) (14:15): First and foremost I would have to see what Senator Williams has actually said, because I know he is an erudite and passionate advocate of rural Australia and rural New South Wales. I would have to see the full context of his remarks. But it is true that in recent times there has been concern about levels of foreign investment in agriculture. The response of this government has been to put in place, through the legislation which is being alluded to, mechanisms to scrutinise those proposals to make sure they are in the national interest. Senator Williams and I are in lock step. We are talking about proposals which were the platform of the coalition going into the 2013 election. We love the Nats, and the Nats love us. We are a coalition, particularly in New South Wales.

Coalmining

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (14:16): My question is to the Minister representing the Prime Minister, Senator Brandis. Currently, rich OECD nations provide about $4 billion a year of public money to build dirty coal fired power stations in developing nations. At a meeting next week, OECD nations will review those public subsidies to coal. The US and Japan have just proposed an agreed position to end funding for the dirtiest coal fired power plants. Why is Australia blocking that deal and opposing international moves to cut public funding to the dirtiest coal fired power stations in developing nations?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:17): Australia believes in the coal industry. We believe in our own domestic coal industry. This is a very clear point of difference between the government and the political party that you represent, Senator Waters. We know that Australia produces some of the cleanest coal in the world. That coal is produced by a highly skilled workforce in accordance with world's best practice environmental standards. It is a very important source of prosperity for the Australian economy and a very important source of jobs for Australians—something, Senator Waters, that you seem to pay no heed to whenever you raise this issue. So the Australian government will continue to support the Australian coal industry. That is not a view, by the way, only shared on this side of the aisle. The Labor Party also supports the Australian coal industry. But you, Senator Waters, representing a party with an ideological zealotry about this issue, do not support the Australian coal industry. That is fine, but you go, Senator Waters, for example, to Central Queensland, which you are meant to represent in this chamber—

The PRESIDENT: Pause the clock. A point of order, Senator Waters?

Senator Waters: Mr President, I rise on a point of order. Despite the minister's rhetorical flourish, I would actually like an answer to the question of: why is Australia blocking moves to remove public funding for coal fired power stations internationally?

The PRESIDENT: I believe the minister up-front said it was because Australia believes in coal and the coal industry. I will take that as an answer to the question, but I will invite the minister, if he has any further information to add—

Senator BRANDIS: Senator Waters, as I was saying, you go and face the people you are meant to be representing in this chamber, the people of Queensland, including the people of Central Queensland, and you go and explain to them why you are trying to destroy their jobs,
to destroy their economic prospects and the economic prospects of their children and their grandchildren by stopping the Carmichael mine in the Galilee Basin. You explain to those people, Senator, why a mine that will lift tens of millions of Indian people out of energy poverty is in your sights. *(Time expired)*

**Senator Waters** (Queensland—Co-Deputy Leader of the Australian Greens) (14:19): Mr President, I ask a supplementary question. These coal fired power stations exacerbate global warming and pollute local air and water supplies. How can Australia support continuing international subsidies that prop up coalmining and block the transformation to a clean energy economy in poorer nations and have any legitimacy as the co-chair of the Green Climate Fund?

**Senator Brandis** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:20): Senator Waters, the fact that Australia has the honour to have been elected as the chair of the Green Climate Fund should give you a pretty clear indication that Australia commands more respect on this issue than you are prepared to accord to your fellow Australians. Senator Waters, the very coalmine that you are trying to block in Central Queensland, the Carmichael mine, will produce much cleaner coal, much more energy-efficient coal, much less-polluting coal than the coal which Adani sources at the moment, which is coal largely imported from Indonesia, some of the dirtiest coal in the world. According to your twisted logic, Senator Waters, it is better that Indian coal fired power stations be fuelled by dirty, polluting Indonesian coal rather than by clean, productive Australian coal. *(Time expired)*

**Senator Waters** (Queensland—Co-Deputy Leader of the Australian Greens) (14:21): Mr President, I ask a further supplementary question. It appears the minister has never heard of the sun. Blocking this deal will ensure that Prime Minister Turnbull goes into the Paris climate conference as continuing Mr Tony Abbott's policy of wrecking international climate negotiations. When will the Prime Minister stop doing the dirty work of the Liberals' big coalmining mates and start representing the interests of Australians in supporting clean energy?

**Senator Brandis** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:22): The people listening to this broadcast, if there are any, would not understand from your question the truth that as a result of the Australian government's targets, arrived at during the period of Mr Abbott's prime ministership and adopted by Mr Turnbull, Australia is making the largest per capita emissions cuts in the world. We are committing to a target that involves the largest per capita emissions reductions in the world. Those emissions reductions will halve per capita emissions. By 2030 emissions reductions on a 2005 baseline will be, per capita, half of what they were. That is the contribution Australia is taking to the Paris climate change conference. It is a contribution that Australia should be very proud of, one of the most ambitious targets—in fact, per capita, the most ambitious target—in the world. *(Time expired)*

**Economy**

**Senator Bernardi** (South Australia) (14:23): My question is to the Minister for Finance, Senator Cormann. Would the minister please advise the Senate of what the OECD Economic outlook, released yesterday, says about Australia's economy?
Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (14:23): I thank Senator Bernardi for that question. Overnight, indeed, the OECD released its Economic outlook publication on the world economy, a biannual publication. The OECD has forecast global growth for 2016 of 3.3 per cent, which is a bit less than previously forecast, picking up to 3.6 per cent in 2017. As a trading nation, what happens in the global economy matters to us, because we do not have direct control over it. What we do have direct control over, of course, is the policy choices we make here in Australia. The previous government, when we were facing global economic headwinds, decided to put more lead into our saddlebag, decided to make it harder for Australia to be successful economically and decided to spend more than we could afford given the economic outlook in front of us.

This government is focused on making sure we strengthen growth by being more competitive, by being more productive, by being more innovative and of course by making sure we are as resilient as possible in the face of inevitable future global economic shocks and are in the best possible position to take advantage of future global economic opportunities. The OECD in its report is providing a strong endorsement of our efforts, stating in its report—and maybe people on the Labor side should listen to this: 'The prospect of structural reforms such as in taxation adds to the upside risks'—that is, for Australia. They are talking about the government's focus on improving Australia's tax system, noting that a tax mix switch away from distorting income and transaction taxes 'would significantly improve the growth friendliness of Australia's tax system'. (Time expired)

Senator BERNARDI (South Australia) (14:25): Mr President, I ask a supplementary question. Would the minister please update the Senate on what the government is doing to further strengthen our economy to support growth, innovation and jobs?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (14:25): The Australian government is totally focused on strengthening the economy, on strengthening economic growth and on strengthening employment growth by making sure we are as productive, as innovative, as competitive and as agile as possible. Over the last three years we have made significant progress by getting rid of Labor's lead out of our saddlebags, by getting rid of the mining tax and the carbon tax, by reducing red-tape costs to business, by reducing company tax of small business, by not proceeding with Labor's bank tax, by pursuing ambitious free trade agendas and by pursuing an ambitious infrastructure investment program. And now we are focused on making sure that we even further improve the growth friendliness of our tax system.

On this side of the parliament our instinct is always for lower, simpler, fairer taxes, because we understand that lower, simpler, fairer taxes will help strengthen growth, will help strengthen job creation—(Time expired)

Senator BERNARDI (South Australia) (14:26): Mr President, I ask a further supplementary question. Would the minister please inform the Senate of what future opportunities are being pursued by the government to drive future economic growth?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (14:26): As I was saying, we are focusing on making sure that our tax system helps to support stronger growth, helps to support stronger employment growth and helps to ensure that people across Australia have the best possible opportunity to get
ahead. Over the last two years we have pursued a whole series of very important reforms and started the important job of budget repair coming into government. Moving forward, one of the major priorities for this government is to put an innovation package together, with innovation being the absolute centrepiece of our future economic success, and there will be an announcement in the not-too-distant future in relation to this. Later this week the Prime Minister and I will be travelling to Europe, where we will be seeking to build further on our ambitious free trade agenda, talking to the European Union about opportunities to negotiate a free trade agreement between Australia and the European Union—something the Labor Party would surely support. (Time expired)

**Economy**

**Senator LINES** (Western Australia) (14:28): My question is to the Minister for Finance, Senator Cormann. Has economic growth slowed under this finance minister?

**Senator CORMANN** (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (14:28): Under this government and under this finance minister economic growth is stronger than it would have been if Labor had stayed in government. What people across Australia well understand—

*Opposition senators interjecting—*

**Senator CORMANN:** I know the Labor Party does not take this very seriously, but people across Australia understand that Australia, as a trading nation, has been facing some global economic headwinds. People across Australia well understand that we have had to deal, as a nation, with the biggest fall in our terms of trade in about 50 years. People across Australia well understand that the economy in Australia is going through an adjustment.

*Opposition senators interjecting—*

**Senator CORMANN:** Labor can laugh at all of this, but the Australian economy is actually performing very well in the circumstances. We are going through the structural adjustment very well. There is a range of reasons for this, some of which relate to structural reforms pursued by the Hawke, Keating and Howard governments—the independent Reserve Bank, setting monetary policy, with a floating exchange rate. All of that helps us to adjust to what is happening in the global economy. There is the fact that we have taken Labor’s lead out of our saddlebag; that we focus on reducing the cost of doing business in Australia; that we have got rid of bad Labor taxes, like the mining tax and the carbon tax; that we have decided not to go ahead with Labor’s bad bank tax; that we have decided to reduce company tax for small business, encouraging small business to invest in their future economic success and employ more Australians; the fact that we have pursued an ambitious infrastructure investment program; the fact that we have pursued an ambitious free trade agenda; the fact that we are now looking further at how we can provide proper incentives for innovation and further improvements to our tax system to ensure it is as growth friendly as possible so that we can generate the best possible opportunity for people across Australia to get ahead. You should be congratulating the government for having taken Australia back from the abyss that Labor— (Time expired)

**Senator LINES** (Western Australia) (14:30): Mr President. I ask a supplementary question. I will try again. It is like the repeat button is being pressed. Has spending as a percentage of GDP increased under this finance minister?
Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (14:30): Labor's chutzpah really is quite extraordinary. They make a complete mess of the budget, they put Australia on an unsustainable and unaffordable spending growth trajectory, and then they criticise this government because we are not fixing their problem fast enough. Labor locked in structural spending increases in legislation across a whole range of areas. Spending under this government is lower than it would have been under Labor, I can tell you that for certain.

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

Senator Moore: Mr President, I raise a point of order on direct relevance. This was a really direct question. The minister has not even got close to it. Has spending as a percentage of GDP increased under this finance minister. We have not heard the words ‘GDP’ mentioned yet. Could we get an answer to the question?

The PRESIDENT: I thought the minister's answer was creative, but I remind him of the question. He has 32 seconds left in which to answer.

Senator CORMANN: Thank you very much, Mr President. Spending under this government is lower than it would have been under Labor. Look no further than the Intergenerational report, which showed that spending under Labor, as a share of GDP, was on track to be in excess of 30 per cent of GDP. We have reduced spending growth of 3.6 to 3.7 per cent above inflation to just 1.5 per cent above inflation. Labor is trying to have it both ways in this debate. They are trying to say that we are cutting too hard and that we are spending too much. People across Australia know that you do not know how to manage money and that we have to fix up your mess yet again. (Time expired)

Senator LINES (Western Australia) (14:32): Mr President, I ask a further supplementary question. Has gross debt increased by more than $100 billion since this finance minister took office?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (14:32): I am wondering whether Senator Lines actually knows what she has been asked to ask here in Senate question time. The truth is—

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

Senator Moore: Mr President, I raise a point of order on direct relevance. I know it is very early in the answer time, but the start did not give me any confidence that the minister was going to go anywhere near the answer.

The PRESIDENT: Senator Moore, that is not a point of order because it is not confidence we are looking for. We are looking for answers. We have to be very fair to the minister. He had not even commenced, basically. Minister, you are in order.

Senator CORMANN: Thank you very much, Mr President. Again, the chutzpah! At the time of the last election we had Labor locking Australia into a spending growth trajectory, particularly in the period beyond the published forward estimates, which we are working to bring back. Yet here they are saying that we are spending too much. Well, help us to pass some of the savings that you are blocking. Let me say to you, very slowly: over the forward estimates spending as a share of GDP is forecast to come down, over time, from 25.9 per cent to about 25.3 per cent at the end of the forward estimates. Government net debt is expected to peak next year before it comes down as a share of GDP. That is as a result of the efforts that
we have made, not helped by the Labor Party. When we have been working to fix your mess, you have been boycotting us every step of the way.

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

Senator Moore: Mr President, I raise a point of order on direct relevance. My confidence was not helped. There was a simple question. Can the minister actually say whether gross debt has increased by more than $100 billion since the finance minister took office? That was very direct, and we have not had an answer to that question yet.

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

Senator CORMANN: Gross debt has increased by less than it would have under Labor and net debt, which is actually what matters, is expected to come down. (Time expired)

Northern Australia

Senator CANAVAN (Queensland—Nationals Whip in the Senate) (14:34): My question is to the Minister for Indigenous Affairs, Senator Scullion, representing the Minister for Resources, Energy and Northern Australia. Will the minister update the Senate on how this government is supporting major economic projects and infrastructure, like airports, roads and ports, across Northern Australia?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:35): I thank Senator Canavan for his question and note his longstanding and keen interest in supporting the development of Australia’s north. Senator Canavan would know well that unlocking the potential of the north is good news for the people of the Northern Territory, north-western Australia and northern Queensland. It is a region that contributes over 11 per cent of our GDP, over 40 per cent of the land mass and yet only five per cent of our population. So it is a particularly different demographic.

In June this year the government released the first ever white paper on developing northern Australia, which is a blueprint for the long-term development of this region. At the heart of this initiative is a $5 billion concessional loan facility, the Northern Australia Infrastructure Facility. This facility will provide up to $5 billion worth of concessional loans over five years, commencing in the 2016-17 financial year. Yesterday, Minister Frydenberg released a consultation paper to seek feedback on the proposed design and operation of the $5 billion Northern Australia Infrastructure Facility. This is a significant milestone in this program, which will encourage and complement investment in northern Australian infrastructure. I have already had positive reports from those that attended the northern Australia showcase that Minister Robb has just hosted in my home town of Darwin. I understand that some of the world’s most significant investors were there to explore opportunities for the development of northern Australia.

After many years in the wilderness, it must be so encouraging to so many residents across northern Australia to look forward to increased investment and activities in our communities. There really has never been a better time to be a resident of northern Australia.

Senator CANAVAN (Queensland—Nationals Whip in the Senate) (14:37): Mr President, I ask a supplementary question. Will the minister advise the Senate how the Northern Australia Infrastructure Facility specifically will maximise investment in the north?
Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:37): North Australia continues to face infrastructure challenges partly because of its low population density and remoteness. The Northern Australia Infrastructure Facility will help fill the critical infrastructure gaps identified by the Northern Australia audit. Importantly, the facility has been designed in such a way that it will not crowd out private sector investment. The facility will act in partnership with private financiers and the governments of the Northern Territory, Queensland and Western Australia. The loans will help to build the economic capacity and longer term expansion of industry population in North Australia and deliver benefits to all Australians. The Northern Australia Infrastructure Facility will be able to provide more patient capital that allows for a project to reach maturity before being repaid. As a minister, and also as a senator for the Northern Territory, I can tell you that this is going to be a game changer for North Australia.

Senator CANAVAN (Queensland—Nationals Whip in the Senate) (14:38): Mr President, I ask a further supplementary question. Can the minister please outline what effect the government's policies to develop the north will have on northern Australia, including, in your role as Indigenous Affairs minister, remote Indigenous communities?

The PRESIDENT: I will allow that question to stand. It nearly does not go to being a supplementary question. The question was asked of the Minister representing the Minister for Resources, Energy and Northern Australia. I will allow the question to stand. Minister.

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:39): The government's Northern Australia agenda will drive development and growth in northern Australia, including for those Indigenous people who live in the north. This government is committed to practical action to create more opportunities for Indigenous participation, and the white paper announces a range of measures to ensure that we include Indigenous people in this major investment in infrastructure. We have $20 million to support native title holders directly for the first time. And, for the first time, it will actually provide equity. So when a big developer comes and says they would like to go into some sort of partnership in the land, at least they will have capacity to be able to make a comprehensive response. There is $17 million to support secure property rights and township leasing and $12 million to expand opportunities for Indigenous ranger groups. On top of this, we are ensuring we include commitments for specific measurable targets for Indigenous employment and supply use because we on this side of the chamber recognise that the private sector must be part of the solution.

Procurement Policy

Senator MUIR (Victoria) (14:40): My question is to the Minister for Finance, Senator Cormann. Paper products, such as the one I am currently reading from, are made by Australian Paper, in the Latrobe Valley, which is subject to chain of custody certification which is globally endorsed by the Program for Endorsement of Forest Certification. They have one of the highest rates of certification of any paper manufacturer globally. Under the Australian Government ICT Sustainability Plan 2010-2015 all federal government departments were to procure 100 per cent recycled paper. As a result of this policy Australian Paper invested in a de-inking and recycling plant to accommodate government demand for recycled paper. Given Australian Paper's high environmental standards on a global scale, can the minister inform the Senate what steps the government is willing to take to ensure
procurement connected policies are urgently addressed to support the long-term security of jobs and manufacturing in Australia upon the ceasing of the government's 100 per cent recycling commitment?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (14:41): I thank Senator Muir for the question. The Australian government strongly supports recycling and sustainable use of any products under the National Waste Policy: Less Waste, More Resources. The Australian government works with the states and territories to support key national waste priorities, including approaches to sustainable procurement. Substantial improvements in recycling have been progressed through the Australian Packaging Covenant and the newspaper industry's national environment sustainability plan which sees around 80 per cent of all newspapers recycled across Australia. In conjunction with industry governments have also continued to support a number of recycling initiatives, including the National Television and Computer Recycling Scheme and a national tyre recycling scheme, and we are progressing work on batteries, paint and plastics.

Although we have achieved significant outcomes nationally in relation to paper recycling rates, we are looking to do better. The ICT Sustainability Plan 2010-2015 is managed by the Minister for the Environment and was completed by 30 June 2015. I understand the plan was ceased to reduce internal government regulation and reporting and, therefore, the onus on agencies to comply and report against the metrics under the plan will also cease. The plan required general use office paper to have a minimum post-consumer recycled content of 50 per cent by July 2011 with progression to 100 per cent post-consumer recycled content by July 2015. Value for money is of course a core rule of the Commonwealth Procurement Rules. The assessment of value for money includes relevant financial and non-financial considerations such as environmental sustainability, energy efficiency and environmental impact. I might just say here that the Commonwealth Procurement Rules incorporate the relevant provisions from Australia's international agreements and, without the use of local preferencing, Australian suppliers are well represented with 94 per cent of Commonwealth procurement contracts, according to the most recently available data, awarded to suppliers in Australia. (Time expired)

Senator MUIR (Victoria) (14:43): Mr President, I ask a supplementary question. Australian Paper has the capacity to produce 50,000 tonnes of recycled paper from 80,000 tonnes of waste paper per year providing there is ongoing support to help Australian manufacturing through relevant government policy. Has the government considered consistency with minimising waste into the future through utilising Australian Paper's ability to operate as not only a manufacturer but also a de-inking plant?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (14:43): In order to provide a proper and considered answer to that question I would need to consult with the Minister for the Environment and the Minister for Industry. We have got substantial responsibility across these areas. The ICT Sustainability Plan 2010-2015 did not require the re-use of Australian paper and certainly did not mandate the use of Australian made paper; it was a guidance document to Australian government departments and agencies only. The plan expired in July 2015 and has not been renewed.
Minister Hunt is writing to other ministers to ask that, wherever possible, agencies use 100 per cent recycled paper.

Senator MUIR (Victoria) (14:44): Mr President, I ask a further supplementary question. The Commonwealth is accountable to the Australian people for how it uses and manages public resources. Can the minister explain why the government will not support the Australian paper industry by mandating that all government departments and agencies must replace imported paper with Australian-made paper?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (14:45): As I indicated in my response to the primary answer, there are some limitations under international agreements as to what we can mandate in this space. The Department of the Environment only buys 100 per cent recycled copy paper and encourages other agencies to do the same. The government is moving departments and agencies to digital format record keeping from 2011, guided by the whole-of-government Digital Transition Policy. All agencies are expected to comply with this policy by December 2015. This has resulted in a significant drop in the use of paper across the whole Commonwealth government. Industry was consulted on this policy and its impact on paper usage.

The finance department's Commonwealth Procurement Rules ensure environmental sustainability is part of the considerations in achieving the cost-effective use of resources in procurement decisions. The Commonwealth Procurement Rules incorporate the relevant provisions from Australia's international agreements, which limit the extent to which the Commonwealth government can preference local suppliers. (Time expired)

Senator Kim Carr: What a pathetic excuse! You abandoned the scheme; you are abandoning Australian jobs.

Senator Cormann interjecting—

Senator Kim Carr: It is pathetic!

Senator Cormann: What did you do?

Senator Kim Carr: We set up the scheme! What do you mean what did we do?

The PRESIDENT: Order! Senator Carr! One of your colleagues is waiting to ask a question.

Defence Housing Australia

Senator GALLACHER (South Australia) (14:46): My question is to the Minister for Defence, Senator Payne. I refer to the shock departure of Mr Peter Howman as the managing director of Defence Housing Australia, or DHA, a fortnight ago. Mr Howman's departure came just days after the Customer Service Institute of Australia named him their Customer Service CEO of the Year and also presented DHA with a service excellence award. Under Mr Howman, DHA has been one of the country's best performing government business enterprises, with a net profit after tax of $91.1 million last financial year. Minister, what circumstances led to Mr Howman's departure from DHA, and were you consulted?

Senator PAYNE (New South Wales—Minister for Defence) (14:47): I thank the senator for the question. As the senator would be aware if he were familiar with the Defence Housing Australia Act, any matters concerning the identification and appointment of the managing
director are a matter for the DHA board, although long-term appointments to all DHA board positions require the approval of the Prime Minister or, at his discretion, of cabinet.

Senator Wong: The question is: ‘Were you consulted?’ Were you consulted?

Senator PAYNE: If Senator Wong could possibly be patient enough for me to finish answering the question, I would indicate to Senator Gallacher that I was not involved in any way.

Senator GALLACHER (South Australia) (14:48): Mr President, I ask a supplementary question. Can the Defence minister explain how Ms Jan Mason, a finance department official who was involved in Telstra's privatisation, was appointed to the role of acting managing director of DHA. Who recommended Ms Mason? On what basis was the decision made? When did you seek approval of the Prime Minister for this acting appointment, consistent with the requirement in the Cabinet Handbook?

Senator PAYNE (New South Wales—Minister for Defence) (14:48): I can indicate that I do not understand Ms Mason still to be a member of the Department of Finance, but I stand to be corrected on that. The decision was made by the DHA board. As I indicated, it is long-term appointments that require the approval of the Prime Minister and, at their discretion, of the cabinet. It is only for three months.

Senator GALLACHER (South Australia) (14:49): Mr President, I ask a further supplementary question. I note the widely reported statement by the Chief of the Defence Force, Mark Binskin, that the Australian military: … supports the continuation of DHA as a government-owned entity. Minister, do you back Air Chief Marshal Binskin's comments, and will you confirm categorically that the government will not sell DHA?

Senator PAYNE (New South Wales—Minister for Defence) (14:49): I can confirm that on 11 May 2015 the government announced that it would not privatise the Defence Housing Authority. Any questions regarding that decision are matters for the Department of Finance. But it is quite clear that the government made that decision on 11 May 2015, and it was announced then.

Child Care

Senator JOHNSTON (Western Australia) (14:50): My question is to the Minister for Education and Training, Senator Birmingham.

Senator Cameron interjecting—

Senator Jacinta Collins interjecting—

The PRESIDENT: Just a moment, Senator Johnston. Order! Senator Cameron and Senator Collins, there is no need to talk across the chamber. You can leave and do that in the lounges outside of the chamber, if you wish.

Senator JOHNSTON: My question is to the Minister for Education and Training, Senator Birmingham. How is the government helping reform the childcare system to help families balance their work and family responsibilities?

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (14:50): I thank Senator Johnston for that question. The Turnbull government is determined
to do everything we possibly can to help Australian families to balance their work and family obligations and to ensure that our childcare system is geared in a way that helps every Australian family that wants to maximise their workforce participation. That is why our plan is to invest around $40 billion in childcare support and subsidies over the next four years through a streamlined, simpler and more affordable system for Australian families. In total, this constitutes an additional investment in the order some $3.5 billion in support for child care as a result of the types of reforms that the Turnbull government proposes. Our intention is to take a multiplicity of current subsidies and rebates and arrangements and turn them into a single childcare subsidy that will apply from 1 July 2017—a simpler system that will be simpler for families to navigate and simpler for childcare providers to navigate as well. We want to make sure that it is a more affordable system. We are putting in place measures to ensure the growth in cost of child care is constrained by having benchmark pricing that keeps growth in prices under control and, in terms of supporting families, by making sure that those who are most reliant on child care for support to juggle work and family opportunities receive the greatest support.

As a result, our proposed childcare subsidy model will ensure that families earning between $65,000 and $170,000 per annum will be around $30 a week better off in terms of meeting their childcare bills. That is more than $1,500 per annum in additional support for hardworking Australian families seeking to juggle work and family obligations. We are equally seeking to make the system more flexible by removing red tape on providers and trialling new systems such as the nannies pilot—all of which ensures we deliver for both vulnerable and working Australians.

Senator JOHNSTON (Western Australia) (14:52): Mr President, I ask a supplementary question. Are there any threats to the government's plans to balance these work and family responsibilities?

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (14:52): There are indeed threats because, like any reform, especially reforms that this government undertakes, they have to be paid for. As I have indicated, we are proposing an additional $3½ billion in investment in child care over the next four years, but we have also proposed savings that will offset that investment.

Unfortunately, today the Australian Labor Party have said that they will oppose many of those savings. The savings that the Labor Party propose to block constitute around 85 per cent of the $3½ billion that we need. I welcome their support for the 15 per cent of savings, but, by blocking this, they are putting at risk increased support to Australian families to juggle their work and family obligations. How will the Labor Party propose to pay for increased childcare support to families earning up to $170,000? How will they make sure that we deliver the childcare safety net? How would they support $3½ billion of extra funding in child care?

(Time expired)

Senator JOHNSTON (Western Australia) (14:53): Mr President, I ask a further supplementary question. I ask the minister: are there any alternative policies that would help families to balance their work and family responsibilities?

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (14:54): Prior to today, Ms Macklin, the opposition's families spokesman, had acknowledged that the increased support for child care from this government 'had to be paid for somehow'—
they were Ms Macklin's words: 'somehow'. Of course, what we see today, though, is that the Labor Party have no plan for how to pay for it and no alternative plan for child care. They do not have their own policy and now they are blocking the bulk of the funding measures required to implement the government's policy. This is an irresponsible approach from the Labor Party that is putting at risk the opportunity for Australian families to choose to maximise their workforce participation. It will make it harder for mums in particular to return to work or to increase their hours because they will be blocking, if they go down this path, the opportunity to provide greater support for child care to those who need it most. The determination of our government through our policies is to ensure that child care supports the families who need it most to balance their work and family obligations.

Honourable senators interjecting—

The PRESIDENT: Order! Senator Bernardi. Senator Polley and Senator Brown, you have a colleague waiting to ask a question.

Broadband

Senator McALLISTER (New South Wales) (14:55): My question is to the Minister for Communications, Senator Fifield. Since the election, the cost of the Turnbull government's second-rate NBN has blown out, first by $12 billion, then by $15 billion and now by a total of up to $26.5 billion. On each occasion, the government has asserted that cost blow-outs will be funded from private debt. Will the entire $26.5 billion NBN blow-out be funded by private debt?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications, Minister for the Arts and Minister Assisting the Prime Minister for Digital Government) (14:56): Senator McAllister is referring to and, I think, wrongly characterising the base case funding for the NBN. As was fairly recently updated, the base case for funding for the NBN is within a range of $46 billion to $56 billion, with a likely base case of $49 billion. Twenty nine point five billion—

Senator Wong: Thank you, we know that. We can read the corporate plan.

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

Senator Ian Macdonald: Can you be quiet just for a minute?

Senator Wong interjecting—

The PRESIDENT: Order! Pause the clock.

Senator Ian Macdonald: Can you just shut up for five seconds?

Senator Wong interjecting—

The PRESIDENT: Order! Senator Macdonald and Senator Wong! Order on both sides!

Senator Sterle interjecting—

The PRESIDENT: And you too, Senator Sterle.

Senator FIFIELD: The government's equity contribution will be capped at $29.5 billion and, as has been made clear, the balance of funding required for the NBN will be made up of private sector debt.
Senator McALLISTER (New South Wales) (14:57): Mr President, I ask a supplementary question. I simply wish to confirm, based on the minister's answer: will the minister rule out any increase in government equity above $29.5 billion?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications, Minister for the Arts and Minister Assisting the Prime Minister for Digital Government) (14:57): The government equity contribution is capped at $29.5 billion.

Senator McALLISTER (New South Wales) (14:57): Mr President, I ask a further supplementary question. Minister, if the Australian public will not be contributing more equity directly, will Australians have to underwrite this $26.5 billion disaster through an explicit government guarantee?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications, Minister for the Arts and Minister Assisting the Prime Minister for Digital Government) (14:58): Let me put a fairly straightforward proposition to colleagues in the chamber. What would colleagues around the chamber—indeed, let's talk more broadly: who would members of the community—have more confidence in: a plan which was produced and overseen by former communications minister Malcolm Turnbull or one that was prepared and overseen by Senator Conroy?

Senator Cormann interjecting—

The PRESIDENT: Pause the clock. Order, Senator Cormann!

Senator Cormann: Do you remember the red underpants?

The PRESIDENT: Order!

Honourable senators interjecting—

Senator Moore: Mr President, I rise on a point of order on direct relevance. Could you draw the minister's attention to the question that was asked—because it had no relevance to the answer he gave.

The PRESIDENT: I will remind the minister of the question and remind him that he has 26 seconds in which to answer.

Senator FIFIELD: Again I say: what would people have more confidence in—the Conroy plan or the Turnbull plan?

The PRESIDENT: Order, Minister. I did bring your attention to the question. I would ask you to address the question.

Senator FIFIELD: Mr President, I had got barely 10 words out before there was a point of order. This is the first time that we actually have a good handle on costs, because we have done the work and NBN has done the work. Those opposite did not. So we have a better handle on costs. (Time expired)

Employment

Senator LINDGREN (Queensland) (15:00): My question is to the Minister for Employment, Senator Cash. Will the minister please inform the Senate how jobactive is helping more Australians move from welfare into work?
Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (15:00): I thank Senator Lindgren for the question. Those of us on this side of the chamber believe that the best form of welfare is a job. That is why everything that this government does is motivated by our commitment to see higher growth, because higher growth means more jobs. Indeed, since forming government there have been over 300,000 jobs created on our watch.

Senator Kim Carr interjecting—

The PRESIDENT: On my left.

Senator Kim Carr interjecting—

Senator CASH: In order to help Australians move from welfare into work—and really, Senator Carr, you do not want me to start on your history in relation to manufacturing.

Senator Kim Carr interjecting—

Senator Cameron interjecting—

The PRESIDENT: Senator Carr and Senator Cameron, cease interjecting.

Senator CASH: It was under you, Senator Carr, that the manufacturing industry in Australia was destroyed. It was under you, Senator Carr, that, whilst there was growth in other industries, in the manufacturing industry, under you, jobs were lost—you personally. Your legacy to the Australian people is job losses. You can come into this chamber and you can scream—

The PRESIDENT: Pause the clock. Order, Minister. Senator Carr, I am going to ask you to cease interjecting. You have been continually interjecting throughout the minister's answer. And, Minister, could I ask you not to direct your comments across the chamber but to the chair.

Senator CASH: Thank you, Mr President, but, when Senator Carr yells out interjections like that, I have to say that, when he was the minister in this place, under his watch employment in manufacturing in Australia fell by 127,600, or by 12.1 per cent. I believe that, as part of a government that is committed to growing jobs in this country, I have an obligation to correct the record. That is why we have invested, as a government, $6.8 billion in the jobactive program, which commenced on 1 July this year. We currently have 66 jobactive providers delivering services in over 2,000 locations and servicing a case load of approximately 758,000 people. This is a government that, unlike Senator Carr— (Time expired)

Senator LINDGREN (Queensland) (15:02): Mr President, I ask a supplementary question. Is the minister aware of any evaluations which highlight the benefits to job seekers of Work for the Dole, a key component of the jobactive program?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (15:03): Yes, I am. Work for the Dole is of course the centrepiece of the new mutual obligation arrangements that form part of the government's jobactive program. My department has carried out an evaluation of Work for the Dole participants who are undertaking the pilot programs. Some of the results of this evaluation have been recently released, and they showed that 78 per cent of participants said they had had the opportunity to learn new skills; 79 per cent agreed that routine in getting up
every day and going to work was actually good for them; 81 per cent of participants said that they were treated like a valuable member of staff. Participants also said that they had learnt and/or developed soft skills such as confidence, self-esteem, teamwork, communication and improved workplace behaviour.

Work for the Dole recognises the principle that unemployed people should be working, preferably for a wage but, if not, then for the dole. It is the people who have participated—

(Time expired)

Senator LINDGREN (Queensland) (15:04): Mr President, I ask a further supplementary question. Can the minister inform the Senate how jobactive compares to previous programs and whether improvements have been made?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (15:04): On this side of the chamber, we very much want to see outcome-driven job services programs, and that is why, under the jobactive model that we have brought in, there has been a fundamental change in the funding model. Under the former government's Job Services Australia model, two-thirds of the service provider fees were geared towards service delivery. Under the jobactive program, payments to employment providers are focused on payments for actual employment outcomes. Additionally, funding for providers is focused on making individuals job ready rather than putting them into training for training's sake. Under the former government's Job Services Australia program, putting somebody in another training program just for the sake of training them was actually considered an outcome in the same way as getting them employment was. Under this government, what we want to see is actual outcomes realised by way of a job, and that is what— (Time expired)

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

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Answers to Questions

Senator McALLISTER (New South Wales) (15:05): I move:

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

However, my own remarks will focus on the question of foreign investment in agriculture. What we saw today in the answer provided by Senator Sinodinos was the glaring inconsistency within the coalition about the approach to the agricultural sector—one of the most important sectors in terms of Australia's economy in the next couple of decades. Senator Sinodinos quite correctly points out that Australia, historically, over many hundreds of years, has been dependent on investment from overseas sources to supplement our own savings. Senator Sinodinos will be aware, I think, that there are few sectors where this is more important than in the agricultural sector. The National Farmers' Federation themselves have estimated that $1.2 to $1.5 trillion would be needed to realise the potential for this sector over the next 35 years.

We understand that this potential derives from the ability to expand our export sector to a very hungry market to our north. There are already 250 million people who are identified as being part of China's middle class, and that number is set to grow exponentially. As that grows the demand for food and fibre products will also grow exponentially as the middle
class seek to improve their circumstances and their wealth. The opportunities for Australia in that context are absolutely enormous.

When sensible people in the business community here are thinking about our future, it is frequently the agricultural sector that they point to. In just one example, last year a Business Council of Australia report about Australia's competitive advantage pointed to the agricultural sector and to the food manufacturing sector as areas where Australia has the opportunity to be a global winner. In that environment, investment will be absolutely critical. There is absolutely no way, as the Farmers' Federation has acknowledged, that this can be met within Australia's savings pool.

So what is very puzzling is the stance taken by the government on this question, as evidenced by the responses today to questions from Senator Wong. There is no clarity about the role that this government anticipates for foreign investors in the agricultural sector. We see that in legislation we imagine will come before this place shortly that seeks to establish different tests and different thresholds, depending on the origin of the funds. There is absolutely no public policy rationale for a decision of this kind.

In his remarks today Senator Sinodinos pointed to the importance of scrutiny, to the importance of the Foreign Investment Review Board, in providing confidence to agricultural communities. We support that. We support the FIRB and we support its role. We support, indeed, the idea that the FIRB might focus its attentions on sensitive sectors. What we do not understand is the distinction that is made not on the sector itself but on the origin of the funds. So, the proposal to introduce a differential test, depending on whether the funds come from China, from Singapore, from the USA or from Chile, is not grounded in a sensible public policy rationale but instead speaks simply to a blinkered view from those opposite about the future of agriculture in this country.

I will digress briefly to make the point that after a long debate about the Chinese free trade agreement, where we on this side sought to stand up for the rights of Australian workers, to have their jobs put first in any decision about importing skilled labour, it is particularly galling to see the government now move to implement a completely baseless approach to foreign investment in Australian agriculture. It is disappointing that Senator Sinodinos would not repudiate the remarks by Senator Williams around selling what the land grows and not the land, because this kind of simple reduction of the challenge for us in finding appropriate levels of investment in the agricultural sector does not do anyone any good. It does not serve the agriculture sector well, it does not serve country people well and it does not serve the country well.

Senator CANAVAN (Queensland—Nationals Whip in the Senate) (15:11): From time to time I get a little bit confused about the Labor Party's position on this issue. Today they have apparently taken the position that any more scrutiny on foreign investment and agriculture is a bad thing, but only a couple of years ago their alternative Prime Minister, their leader Kevin Rudd, the person they put up to be in charge of this country, was asked at the Asia Society Policy Institute about investment in Australian rural land, and this is what he said: 'I am a bit nervous, a bit anxious, frankly, about simply an open-slasher approach to this. I think when it is about rural land and land more generally, we need to adopt a more cautious approach. We should not have open slather.' It was just two years ago that the leader of the Labor Party said he wanted a more cautious approach to foreign investment in land. But now we have a
completely different position from the Labor Party on foreign investment in rural land. It is exactly the same approach they took to foreign investment in residential land—completely ad hoc and all over the place.

When they were in government, in 2009, I believe it was under Minister Bowen at the time, but I stand to be corrected, the Labor Party changed the regulations on investment in residential land to allow more open-slather and allow more foreigners to invest in residential housing, particularly existing housing. There was a huge surge in foreign investment in our major cities, particularly Sydney. But within two years they had reversed the approach and gone back to the previous approach, which basically means that foreigners generally cannot invest in residential housing or land in this country—in existing housing, I should say, because they can invest in off-the-plan and in new housing.

The Labor Party has been all over on this issue for a number of years. There was also a massive inconsistency with how we treat investment in residential property and how we treat investment in non-residential property. There are differences between them. But to come into his place and try to argue that more scrutiny and more transparency on investment in agricultural land is somehow going to make the sky fall in—it just does not make sense. We make it such that all foreigners cannot buy an existing home in Sydney or Melbourne. Why is there such inconsistency. Why do we never hear anything from the Labor Party about why foreigners should be able to invest in residential housing in our major cities, but they want to bang on about investment in rural land?

The reality is that a few years ago we increased the thresholds on Foreign Investment Review Board decisions to $250-odd million. It has been going up with inflation every year, but it sits at about $250 million. That means we provide no scrutiny at all to investment in agricultural land, because, of course, there is almost no farm in the country—one farm, perhaps: Cubbie Station—that is worth more than $250 million. It is an anomaly that we are fixing with the changes that are before the Senate at the moment.

Even after the changes we make we will still be one of the most liberal countries in the world for investment in agricultural land, and we should be, because Senator Sinodinos is correct that we do need investment in our agricultural sector. Because of that we will be and will remain one of the most liberal countries in the world in welcoming foreign investment. If you go the US, a bastion of free markets and open competition, there are 11 states in the US where no non-residents can purchase farmland—none at all. In places like Nebraska, Oklahoma, Iowa, Michigan, Missouri and North Dakota—many of them big farming states in the US—they do not allow any non-residents to buy farmland at all. In a few other states only US citizens can buy farmland. In Canada there are different restrictions between different provinces but, again, generally, foreigners are restricted to purchasing less than 40 acres in most farming states in Canada. In New Zealand any parcel of non-urban land of more than five hectares is defined as 'sensitive' and purchase by foreigners must receive approval by the Overseas Investment Office.

Our changes to bring the threshold down from the $250 million-odd level to around $15 million for scrutiny will still make us one of the most liberal countries of the world but will provide for some scrutiny, at least, for investment in our farmland. I believe the Australian people expect us to scrutinise investments in land in this country to make sure that they are in our national interest and to make sure that decisions that we make as a government accord
with the principles established in the Foreign Acquisitions and Takeovers Act, which are to make sure those investments are in our national interest.

**Defence Housing Australia**

Senator GALLACHER (South Australia) (15:16): I rise to take note of the answer by the Minister for Defence, Senator Payne, to my question with respect to Defence Housing Australia.

Through my involvement in the Public Works Committee, the oldest standing committee of the parliament, I know a little bit about Defence Housing Australia. It is an extraordinary organisation, and an extraordinarily successful organisation. It has thrived under the leadership of Mr Howman. It is fair to say that his departure has caused a degree of angst. It is quite unprecedented for Australia's Chief of Defence, Air Chief Marshal Mark Binskin, to take the extraordinary step on Tuesday of releasing a statement warning the Turnbull government that the military supports the continuation of DHA as a government owned entity.

How does it work? I have visited many of Defence Housing Australia's developments around this great country of ours, and it works with a very commercial, proper model. It delivers excellent outcomes for service personnel. It leads the country in the development of suburbs in total. They have won awards for designing entire suburbs. They have led efficiency in building. They have led efficiency in environmental sustainability in housing. They have been an exemplar in the way that housing is delivered, particularly in areas of the country where it is extremely expensive—like in Tindal and Larrakeyah in the Northern Territory and in Townsville, where there is a great military presence. They have delivered an excellent product that is well respected and well appreciated by Defence, first and foremost, and by the people who enjoy the postings around this great nation of ours. They have a great model that Defence is really happy with.

They also have a great model which the general population is happy with. There are thousands of mum and dad investors who invest in Defence Housing. You can build a house and Defence Housing will take it on and rent it from you or you can invest in one of their models. There are many thousands of Australian investors using the Defence Housing model to get an appreciable gain in a very smart, focused way without the tremendous risk of running their own property portfolio. Defence is happy; investors are happy. And there is more: the government is happy. It is a government owned enterprise that actually does what it is supposed to do: it keeps the customer happy, brings in the community and delivers a $90 million-plus premium back to the government.

There is one niggly doubt: it may impinge on some private developers making exorbitant profits and delivering less than equitable outcomes. Some of those at the big end of town do not want the government in there doing the right thing by the Defence department and by the investors of Australia and delivering a reasonable benefit back to the government. No, they want to get in there and make their suburbs cheaply and nastily. They want to make a quick quid and move on. They do not want to have a long-term, sustainable model, which has been proven to deliver over many years—and Mr Howman has been part of that, as has the board of DHA over many years—a good outcome for Defence, the government and the investors.

We know that the Commission of Audit recommended privatising it, and we know from the minister's answers here today—given with a very straight bat; there was not a lot of
agility; there was not any nimble behaviour at all—that we ruled it out on 11 May 2015. We know that where there is this sort of reporting and where there is this sort of interesting departure things are afoot. There is no doubt that this will play out in this chamber and through estimates and through the media over the rest of this year, because it looks as if they are going to bag it up, flog it off and put the money in the bank, forgetting about the wherewithal of the Defence personnel, the dividend to government and the genuine benefit that Australians who invest in Defence Housing Australia are currently getting.

**Taxation**

*Senator LINDGREN (Queensland) (15:21):* I rise to take note of answers on the GST. Exploring options on tax reform allows the government to support a national platform on economic growth and jobs that back Australians. It is important to have discussions about not only the GST but tax reform in general, and that is what this government are prepared to do. The Prime Minister, the Treasurer and the Minister for Finance have all openly stated that the coalition government will pursue all discussions on tax reform, because this country needs to address the taxation system that promotes jobs and growth. The Treasurer and this government are about encouraging people to work hard to make money, to save and to enjoy their lives in Australia. We are considering all options and looking at the best possible tax system.

The Turnbull government is committed to tax reform and looking at lower, simpler, fairer taxes for all Australians while focusing on tax reform that increases employment opportunities and economic opportunities. Critical to this government is a better tax system, with a better combination of taxes at state and federal levels that helps us grow our economy. It is important to have a mature discussion about tax to see what can be done more efficiently. Let us look at our tax system and see what is working and what is not. Economic leadership is what this government is all about. It is about economic leadership that grows jobs and the economy.

There have been discussions about personal income tax and there have been discussions about other areas of tax. These discussions also include competition policy reform, because the Australian people will expect that any tax changes result in better services, more choices and better spending. We are having conversations about how we grow the economy and how we grow jobs. There are many elements to that, and the tax system is one of the things that can hold Australians back. Prime Minister Turnbull is right: we need a tax system that is a minimum handbrake on economic activity. We need to control our expenditure. There is definitely a need to address the taxation issues so the economy can grow and jobs are created. We want to grow the economy and grow jobs. It is for that reason we are engaging in discussions. They are good discussions and they are positive discussions, and good economic leadership engages in positive, collaborative discussions.

We are concerned at the strong evidence that shows Australians are already paying too much tax in the tax system, particularly income tax. Many features of the existing tax system will, over time, limit jobs growth and make it less attractive for investment in Australia. The government will continue to build on the objectives and benefits of creating a better tax system that supports jobs and growth in our economy and will not allow the process to be undermined by rule-in or rule-out debates. The coalition has not put any proposals out yet. We are just showing economic leadership. Australians expect that of the coalition
government. The federal government has not made any decisions about options. We are pursuing tax reform so Australia is in the best position in the Asia-Pacific region. People of Australia understand that any reforms under a coalition government will be good for business, good for investment, good for innovation, good for opportunity and good for people. They understand the coalition government is trying to fix the economy and ensure that expenditure is under control.

Once again I would like to point out how important it is to have a discussion on the GST. We need the right tax system to generate growth. People want a tax system that will back them rather than hold them back. The primary purpose of taxation is to pay for hospitals, schools, infrastructure and a strong safety net. Taxation should not overly distort decisions that workers, businesses and consumers make. The task is to create a tax system that helps generate growth and promotes incentives to work, save and invest. A growing economy is the best and the only way to guarantee jobs in the future is to support people.

Any discussion on tax reform shows the coalition government is serious about economic growth and jobs. The coalition government will do whatever is necessary to get ahead, and that is what any government will do. The coalition is serious about ensuring lower, simpler and fairer taxes, opportunities, economic growth and jobs. The government will continue to deliver real tax reform that is part of a broader reform agenda that looks at the entire tax system. Any tax reform will improve fairness and efficiency. We recognise that stronger revenue will come from a stronger economy where Australians earn more, not by placing a greater tax burden on Australians. Any final policy position will ensure that the overall tax burden on Australians is not increased. We welcome strong evidence that shows that paying too much tax, particularly income tax, is affecting Australia’s prosperity.

( )

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (15:26): Once again we have seen a question time where the government absolutely failed to give accurate answers to the opposition’s very reasonable questions, especially questions on the GST. There were three quite clear questions to Senator Cormann: did he stand by his commitment that, from 2013, the GST would not change if elected to government on 7 September; did he stand by his commitment that, under the coalition, there would be no cuts to hospitals, schools, defence or pensions and no increase in the GST; and was Mr Pyne correct when he told a group of coalition MPs yesterday that the Turnbull government will not be taking an increase to the GST to the next election? Of course, in all the answers we got, we just got obfuscation. We could not get a clear answer. We saw the minister dodge and hedge, absolutely determined not to give a clear answer, not only to this chamber but to the Australian people. It is clear that this government is planning to attempt to increase the GST. If I had any doubts, Senator Lindgren’s contribution just before probably took away those doubts. It is pretty clear from what she said that the GST will be broadened. In fact, if I were a betting woman, I would probably put some money on it, judging by those comments.

Senator Gallacher: I’ll have a bet.

Senator BILYK: Thank you, Senator Gallacher, but I do not think we are allowed to have bets in here. See me outside, but I think we would be betting on the same thing. Time and time again, what do we see from this government? We see changes by this government that impact those on lower incomes significantly more than those on higher incomes. That is what the problem is with broadening the GST, especially if it relates to food. One of the big
concerns I have is that, if you add the GST to all the foodstuffs, lower income people, firstly, will spend more of their income on surviving and just being able to eat and, secondly, because it is often cheaper, will probably have to resort to buying junk food. If fresh food has the tax on it, it will not encourage people to buy fresh food.

The chief executive officer of ACOSS, Cassandra Goldie, told the 7.30 Report that the modelling showed that this was definitely a regressive tax and would disproportionately impact the budgets of low- and middle-income earners who spend more of their overall income on living costs. Of course, food is included in that, as are such things as electricity and going to the doctor. Everything will have a much bigger impact on those that earn the least. Dr Goldie also stated that all the money raised by the tax may have to be spent compensating those affected by the increase in the GST rate, anyway.

A new 15 per cent tax on shopping and fresh food will also cause problems for small businesses, because it will create more red tape. This blows the government's rhetoric on reducing red tape completely out of the water. I wonder whether small businesses are going to be lined up to become the government's unpaid tax collectors. I look at those small supermarkets—not the two major ones, or the three major ones as is the case in a lot of states, but the smaller, corner-shop types that we still have in Tasmania—and I think: is this going to be a whole lot more red tape for those businesses? We hear, time and time again, from the government that they are reducing red tape. We have these great repeal days that there is a lot of fanfare about. They want hats and whistles and balloons because they take a comma out of an old act.

I do not know if the government know what they are doing with regard to GST, because there appear to be a number of backbenchers who are quite concerned about increasing the GST and broadening the rate. We have heard from a number of those over the last two weeks. (Time expired)

Question agreed to.

Coalmining

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (15:31): I move:

That the Senate take note of the answer given by the Attorney-General (Senator Brandis) to a question without notice asked by Senator Waters today relating to coal mining subsidies provided by international economic organisations.

Why are we bucking the trend of some of our largest trading partners, including the US and Japan, who, in recent weeks, have announced that they have a proposal to reduce public subsidies for those dirtiest coal fired power stations? And yet, Australia is blocking that. I sought an explanation as to why on earth any person who had even a passing familiarity with the climate science or had even heard of the phrase climate change would take such a stance.

Sadly, Minister Brandis simply pressed the repeat button on his usual rhetorical flourish about the Liberals' obsession with coal. He started off by saying that Australia believes in the coal industry and then raved on about how great our coal is and how much he has bought the spin of the minerals council and the resources council that, somehow, it underpins our economic prosperity—when we know that 86 per cent of the profits flow offshore and it contributes only about two per cent of GDP, and that the global price has tanked so much that
it clearly does not have a future. That is way too many facts for Senator Brandis. He would rather spout the coal industry rhetoric and continue to take the donations, as his party does, with aplomb.

I had no satisfactory explanation as to why Australia would be blocking those very sensible moves to get on board that transition to clean energy, which the rest of the world has long begun and which Australia is getting further and further behind on—despite the fact that we have such great potential in this nation, and globally, to contribute with our wonderful sunshine our wind, our wave, our tide and even our geothermal prospects. But no, that is all very inconvenient for the minister and the 'government for coal'.

I pointed out that coal fired power is, in fact, far from helping poor Indians, who Senator Brandis suddenly thinks he cares about—despite slashing the foreign aid budget to the lowest in living memory, and despite the fact that they do not have an electricity grid in 80 per cent of India so they will not even be able to use that coal. Again: details, details. I pointed out that those coal fired power stations actually worsen air quality and contaminate local water supplies, and there have been recent reports that have linked millions of deaths in India from burning coal. Again, Senator Brandis did not engage with the substance of that.

I pointed out the enormous inconsistency in Australia taking the position to continue to fund dirty energy whilst just being appointed as the co-chair of the Green Climate Fund, which is meant to be bankrolling the transition to clean energy and showing some global leadership in the context of the Paris climate talks that are coming up. Again, there was absolutely no engagement with the substance. Instead, I was rebuked for not facing Central Queenslanders who want an Indian coal mine to proceed. In fact, I was in Mackay last week talking about the transition plan, because people know that their jobs are on the line and they do not have a future. They want to know what the government is doing to plan for the fact that the coal price has thoroughly tanked and it looks like those much talked about jobs will not eventuate. So they were very interested to hear what we Greens had to say about us wanting to give them a long-term employment future and protect the climate at the same time. Thanks, Senator Brandis, for the opportunity to mention that I have, in fact, been doing that. It might be an idea for the government to do that too.

Lastly, I talked about why Prime Minister Turnbull was continuing with former Prime Minister Tony Abbott's approach of playing that wrecker role in international climate negotiations of wanting to spoil deals, cease momentum, remove words from proposed deals and really go on the go-slow and try to slow down that global momentum. Sadly—in true form—I was not able to receive an actual response to that, but they continued on with the ranting that is the coal megaphone, also known as the current Australian government. We Greens will continue to advocate for the inevitable transition to clean energy, both domestically and internationally, that we know will safeguard our climate and protect beautiful places like the Great Barrier Reef, which are huge employers and which we know will generate the jobs of the future and underpin our economic prosperity. Anyone is welcome to join us.

Question agreed to.
PETITIONS

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

Marriage

To the Honourable President and members of the Senate in Parliament assembled:
This petition of certain citizens of Australia draws to the attention of the Senate:
Marriage is the union of one man and one woman, voluntarily entered for life.
It is an institution vital to the well being of all society. In particular it confirms the importance of motherhood and fatherhood and seeks to protect children's biological identity.
It has a meaning that we hold deeply for its cultural, religious and social significance.
We therefore ask the Senate not to redefine marriage to admit relationships to which it does not naturally or historically apply.
by Senator Back (from 9 citizens).
Petitions received.

NOTICES

Presentation

Senator Siewert to move:
I give notice that I will be presenting a notice of motion on the custody notification system in New South Wales.

Presentation

Senator Wang to move:
That the Senate notes that:
(a) free-to-air television (FTA TV) provides a vital service to regional communities;
(b) the broadcasting by FTA TV of national sporting events is essential to their profitability, and therefore the continuation of this regional service;
(c) FTA TV provides local news content and community announcements essential to the fabric of regional communities; and
(d) the reach rules and ownership rules have been made redundant by disruptive technologies.

Senator Rice to move:
That the Senate—
(a) notes that:
(i) in July 2015, the Government withdrew from a longstanding commitment to supply 100 per cent Australian recycled paper to government departments, as outlined in the Australian Government ICT Sustainability Plan 2010-2015,
(ii) industry and environment groups, including the Victorian Association of Forest Industries, the Australian Forest Products Association, the Construction, Forestry, Mining and Energy Union and the Wilderness Society, support the commitment of government purchase of 100 per cent recycled paper.
(iii) Australian Paper opened a new $90 million recycling plant in Maryvale in May 2015, which was supported with a $9.5 million grant from the Federal Government, and which was positioned to supply recycled paper to federal government departments, and
(iv) using Australian recycled paper will boost the Australian manufacturing sector, reduce expensive and unnecessary imports, and reduce the Government’s ecological footprint, carbon emissions and resource waste; and
(b) calls on the Government to immediately reinstate an ongoing commitment to procuring 100 per cent recycled paper.

Senator Canavan to move:
That the Senate—
(a) notes:
(i) the importance of a robust and clear legal system that allows for timely judicial review and certainty for investors and the community alike,
(ii) that the latest legal challenge brought by the Melbourne-based Australian Conservation Foundation to the development of the Galilee Basin is another cynical attempt to abuse due process,
(iii) that ongoing green law-fare is holding Queensland families to ransom, and jeopardising Australia’s reputation as a place to do business, and
(iv) that rather than protecting the environment, the replacement of the Galilee Basin’s lower-emission coal by higher-emission coal from other countries could instead cause an increase in global emissions; and
(b) calls on the Australian Labor Party to support legislative amendments to close legal loopholes being exploited by green groups.

Senator Hanson-Young to move:
That the Child Care Benefit (Children in respect of whom no-one is eligible) Determination 2015, made under the A New Tax System (Family Assistance) Act 1999, be disallowed [F2015L01404].

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

Senator Wong to move:
That the Senate—
(a) notes that Wednesday, 11 November 2015, marks 40 years since the dismissal of the Whitlam Government by the Governor-General, Sir John Kerr;
(b) recognises the significant contribution made by the Whitlam Government to the creation of modern Australia, inspiring and transforming the nation, including through:
(i) ending conscription,
(ii) establishing universal healthcare through Medibank, the precursor to Medicare,
(iii) implementing education reforms like needs-based funding for schools and free vocational and university education, and introducing the Tertiary Education Assistance Scheme,
(iv) ending the last legal vestiges of White Australia,
(v) slashing tariff barriers by 25 per cent,
(vi) establishing diplomatic and trade relations with the People’s Republic of China,
(vii) replacing Australia’s adversarial divorce laws with a new, no-fault system,
(viii) introducing Australia’s first federal legislation on human rights, the environment and heritage,
(ix) introducing sweeping electoral reforms—the vote for 18-year-olds, Senate representation for the territories, and ‘one vote, one value’,
(x) establishing the Australian National Parks and Wildlife Service, the Law Reform Commission, the Australian Film Commission, the Australian Heritage Commission, the Technical and Further Education Commission, a national employment and training program;

(xi) launching construction of the National Gallery of Australia, making the Australia Council a statutory authority, and vigorously promoting the arts,

(xii) improving the position of women and our Indigenous population through reforms such as laws banning discrimination of the grounds of race and sex, equal pay for women in the Public Service and the creation of a separate ministry responsible for Aboriginal affairs and instituting Indigenous land rights,

(xiii) creating a single Department of Defence rather than separate departments for Army, Navy and Air Force,

(xiv) establishing the Royal Commission on Human Relationships,

(xv) changing the national anthem to Advance Australia Fair,

(xvi) replacing the British Honours system with the Order of Australia,

(xvii) abolishing appeals to the Privy Council,

(xviii) replacing the Postmaster-General’s Department with Telecom and Australia Post, and

(xix) establishing the Legal Aid Office, the National Film and Television School, the Australian Development Assistance Agency, the Prices Justification Tribunal and the Trade Practices Commission;

(c) affirms the principle that the Senate should not withhold supply;

(d) supports the view of the Prime Minister that letters between Sir John Kerr and Her Majesty The Queen concerning the dismissal are official records written by the Governor-General in discharge of his duty and should be released under the existing 30-year disclosure rule applying to such records; and

(e) calls on the Government to act to facilitate the release of the correspondence.

Senator Rhiannon to move:

That the Senate—

(a) notes that:

(i) Crows Nest TAFE is to be closed down and the Cammeraygal High School is to be expanded onto the site,

(ii) the New South Wales Government is planning to sell or partially sell 27 campuses in addition to Crows Nest TAFE,

(iii) increasing privatisation of technical and further education (TAFE) funding and the consequent increase in fees has been linked to a substantial drop in enrolments,

(iv) the closure of Crows Nest TAFE is a direct consequence of the 2012 National Agreement for Skills and Workforce Development which has significantly damaged the public TAFE system, by accelerating public funding of private sector involvement in vocational education and training, and

(v) while the development of new high school capacity in North Sydney is urgently needed and the creation of a new school campus welcome, it is not in the interests of the North Sydney community to trade off education sectors against each other; and

(b) calls on:

(i) the Federal and New South Wales governments to restore secure funding for TAFEs in New South Wales,

(ii) the New South Wales Government to reopen a TAFE institution in the Crows Nest area, and
(iii) the Turnbull Government and the Labor Opposition to revisit the 2012 National Agreement for Skills and Workforce Development to ensure that public institutions remain the core of education in Australia.

Senator Simms to move:
That the Senate—
(a) notes that the Legal and Constitutional Affairs References Committee has found that:
(i) the Parliament has the authority to amend the *Marriage Act 1961* without recourse to a plebiscite or referendum,
(ii) a plebiscite has the potential to facilitate and justify homophobic and transphobic hate speech, and
(iii) a plebiscite would cost an estimated $158.4 million if held outside of a general election; and
(b) calls on the Prime Minister (Mr Turnbull) to allow a free vote on marriage equality before the end of 2015.

Senator Lambie to move:
That the following bill be introduced: A Bill for an Act to amend the *Veterans’ Entitlements Act 1986* to provide medical and other treatment for all Defence Force members who have served in war or war-like operations, and for related purposes. *Veterans’ Entitlements Amendment (Expanded Gold Card Access) Bill 2015*.

Senator Fawcett to move:
That the Joint Standing Committee on Treaties be authorised to hold public meetings during the sittings of the Senate from 11 am to 1 pm, as follows:
(a) Monday, 22 February 2016; and
(b) Monday, 29 February 2016.

Senator O’Neill to move:
That the Senate—
(a) notes:
(i) the importance of jobs on the Central Coast, and the vital role that governments can play in delivering those opportunities, stimulating the local economy, and stimulating quality infrastructure that benefits business, workers, and the broader community,
(ii) the broad community opposition to the Federal Government’s announced intention to build a Commonwealth government building on prime waterfront land already earmarked for other projects, including a Regional Performing Arts Centre,
(iii) the Federal Government’s decision to do a deal with the New South Wales Government wherein the New South Wales Department of Education will sell-off at least one-third of the site of the now demolished Gosford Public School, thus breaking with community expectations,
(iv) the lack of clarity around the cost of the land, and how developers and/or the owners of the site will recoup lost income from only constructing a four-storey building on a site zoned for up to 16 storeys,
(v) the serious concerns around the tender process wherein some applicants appeared to be given additional information about the proposal, creating unfair advantages, and
(vi) the lack of transparency with which this site was chosen, with no community consultation, local tenderers overlooked, and other potential sites ignored; and
(b) calls on the Federal Government to:
(i) abandon its decision to locate its new building on the Gosford Waterfront, and for a new location to be determined,
(ii) immediately halt all proceedings in regard to the proposed Gosford Australian Taxation Office development on the Old Gosford Public School site,
(iii) broadly consult with the community in their planning for any infrastructure investment on the Central Coast,
(iv) apply procurement principles that advantage local developers and builders for the project to ensure better local job opportunities, and
(v) honour its commitment to provide $10 million to match equal funds from the local council and the New South Wales State Government to advance a centre for performing arts on the Gosford Waterfront as an integrated iconic element of the revitalisation of the Old Gosford Public School site.

**Senators Moore and Waters** to move:

That the Senate—

(a) welcomes the release of *Change the Story: A shared framework for the primary prevention of violence against women and their children in Australia*, jointly produced by VicHealth, Our Watch and Anrows;
(b) notes the commitment by governments and communities to a shared response to the horror of family violence, and the need for a deep and lasting cultural change;
(c) acknowledges that ‘Change the Story’ details a national approach to preventing violence against women and children through:
   (i) identifying what drives and contributes to violence against women,
   (ii) providing evidence-based guidance to government and communities on how to strategically and effectively lead, coordinate, resource and support prevention efforts across Australia, and
   (iii) informing and supporting the development of policy and legislation, prevention strategies, programming and advocacy that targets and seeks to reduce the drivers of violence against women;
(d) recognises the need for effective independent evaluation to achieve the best possible results in the reduction of violence and harm of violence against women and children; and
(e) acknowledges the need for a cross-party approach to enforcing a long-term strategy for ending the scourge of family and domestic violence.

**Senator Siewert** to move:

That the Senate—

(a) notes:
   (i) the vital nature of the Custody Notification Service that operates in New South Wales and the Australian Capital Territory,
   (ii) that the service will be unable to continue to provide the essential life line to the Aboriginal community to the extent necessary after 31 December 2015, and
   (iii) that the scheme is effective, cost-efficient, and beneficial for all involved, including police;
(b) acknowledges that, since its inception in 2000 as a result of the Royal Commission into Aboriginal Deaths in Custody, there have been no Aboriginal deaths in police cell custody in New South Wales or the Australian Capital Territory; and
(c) urges:
   (i) the Federal Government to provide the full funding plus consumer price index increases on a triennial basis to ensure this essential service can continue to save lives, and
(ii) state and territory governments to follow the lead of New South Wales and the Australian Capital Territory and implement similar programs and services in each state and territory.

BUSINESS

Leave of Absence

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (15:37): I move:

That leave of absence be granted to Senator Nash for 11 November and 12 November 2015, for personal reasons.

Question agreed to.

NOTICES

Postponement

The following items of business were postponed:

General business notice of motion no. 914 standing in the name of Senator Muir for today, relating to rail and road infrastructure in Victoria, postponed till 25 November 2015.

COMMITTEES

Reporting Date

The Clerk: Committees have lodged extension notifications as follows:

- Economics References Committee—forestry managed investment schemes—extended from 12 November to 26 November 2015.
- Education and Employment References Committee—students with disability and the schools system—extended from 3 December 2015 to 15 January 2016.
- Legal and Constitutional Affairs References Committee—arts programs and funding—extended from 26 November to 2 December 2015.

Privileges Committee

Reference

Senator DI NATALE (Victoria—Leader of the Australian Greens) (15:38): I move:

That the following matters be referred to the Committee of Privileges for inquiry and report:

(a) whether any false or misleading evidence was given to the former Select Committee on the Recent Allegations relating to Conditions and Circumstances at the Regional Processing Centre in Nauru in relation to the apparent surveillance of a senator while on a visit to Nauru in December 2013; and

(b) if so, whether any contempt was committed in that regard.

Question agreed to.

Privileges Committee

Reference

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (15:39): At the request of Senator Gallacher, I move:

That the following matters be referred to the Committee of Privileges for inquiry and report:

(a) whether any false or misleading evidence was given to the former Select Committee on the Recent Allegations relating to Conditions and Circumstances at the Regional Processing Centre in Nauru in relation to a disturbance at the centre on 19 July 2013; and

(b) if so, whether any contempt was committed in that regard.
Question agreed to.

**BUDGET**

Consideration by Estimates Committees

**Senator FIFIELD** (Victoria—Manager of Government Business in the Senate, Minister for Communications, Minister for the Arts and Minister Assisting the Prime Minister for Digital Government) (15:40): I move:

(1) That estimates hearings by legislation committees for 2016 be scheduled as follows:

**2015-16 additional estimates:**
- Monday, 8 February and Tuesday, 9 February (**Group A**)
- Wednesday, 10 February and Thursday, 11 February (**Group B**).

**2016-17 Budget estimates:**
- Monday, 23 May to Thursday, 26 May, and, if required, Friday, 27 May (**Group A**)
- Monday, 30 May to Thursday, 2 June, and, if required, Friday, 3 June (**Group B**)
- Monday, 17 October and Tuesday, 18 October (**supplementary hearings—Group A**)
- Wednesday, 19 October and Thursday, 20 October (**supplementary hearings—Group B**).

(2) That pursuant to the orders of the Senate of 26 August 2008 and 23 June 2015, cross portfolio estimates hearings on Indigenous matters be scheduled for Friday, 12 February, Friday, 27 May and Friday, 21 October, but not restricted to these days.

(3) That the committees consider the proposed expenditure in accordance with the allocation of departments and agencies to committees agreed to by the Senate.

(4) That committees meet in the following groups:

**Group A:**
- Environment and Communications
- Finance and Public Administration
- Legal and Constitutional Affairs
- Rural and Regional Affairs and Transport

**Group B:**
- Community Affairs
- Economics
- Education and Employment
- Foreign Affairs, Defence and Trade.

(5) That the committees report to the Senate on the following dates:
- (a) Tuesday, 1 March 2016 in respect of the 2015-16 additional estimates; and
- (b) Tuesday, 28 June 2016 in respect of the 2016-17 Budget estimates.

Question agreed to.

**BUSINESS**

Days and Hours of Meeting

**Senator FIFIELD** (Victoria—Manager of Government Business in the Senate, Minister for Communications, Minister for the Arts and Minister Assisting the Prime Minister for Digital Government) (15:40): I move:
That on Wednesday, 11 November 2015:

(a) the sitting of the Senate shall be suspended at 10.15 am till 11.45 am to enable senators to attend Remembrance Day services; and

(b) any proposal pursuant to standing order 75 shall not be proceeded with.

Question agreed to.

BILLS

Automotive Transformation Scheme Amendment (Securing the Automotive Component Industry) Bill 2015

First Reading

Senator RICE (Victoria) (15:41): I, and also on behalf of Senator Simms, move:

That the following bill be introduced: A Bill for an Act to A Bill for an Act to amend the Automotive Transformation Scheme Act 2009 and the Automotive Transformation Scheme Regulations 2010, and for related purposes.

Question agreed to.

Senator RICE: I present the bill and move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator RICE (Victoria) (15:42): I present the explanatory memorandum and move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

AUTOMOTIVE TRANSFORMATION SCHEME AMENDMENT (SECURING THE AUTOMOTIVE COMPONENT INDUSTRY) BILL 2015

The Automotive Transformation Scheme Amendment (Securing the Automotive Component Industry) Bill 2015 seeks to amend the Automotive Transformation Scheme in order to provide Australian automotive parts makers with a fighting chance upon the exit of the major car manufacturers from Australia. It will ensure our local automotive manufacturing sectors can maintain jobs by supporting industry shift to clean technologies like electric vehicles.

We know that the up-stream automotive industry in Australia is in crisis. With Ford, Holden and Toyota all exiting Australia, the last locally produced and assembled Australian motor vehicle from these companies is likely to roll off the production line by the end of 2017.

Not only will this see up to ten thousand highly skilled workers simultaneously enter a shrinking job market, but the stress on component and parts manufacturers will lead to further rounds of factory closures and job losses.

The evidence from previous rounds of such closures is in. Two years after the exiting of the Australian market by Mitsubishi Motors in South Australia, only one third of the approximately 1000 workers who were retrenched had found full-time work. Another third had moved on to casual or part-
time work while the final third were still struggling to find employment or had moved into early retirement.

This was under conditions of a still robust Australian automotive industry. This round of job losses has the capacity to be much, much worse. The impact of such a large and immediate shift will have catastrophic consequences for our communities.

The Government is fond of talking of market inefficiencies and a lack of competitiveness, of retraining and realignment, but will not keep jobs and smart manufacturing in Australia.

This Bill also addresses a second and very different challenge which confronts our nation, and in it may lie the seed of rebirth for our automotive industry. We know that our industrial addiction to fossil fuels is having an irreversible impact on our climate. The challenges of pollution and climate change need solutions, and in this Bill we put forward a way for Australia to make a significant contribution to the reduction in fossil fuel reliance in the transport sector.

The Bill we put before you today would provide the incentives needed for companies here in Australia to be early movers in the clean energy vehicle market. The Rudd Government's Automotive Transformation Scheme has at its core a good idea, which is to help the automotive industry transition through this incredibly tough period for the sector. However, what it has failed to do is envision how Australia can be a world leader in competitive high-technology manufacturing. The Greens criticised the ATS when it was first introduced as unable to see the writing on the wall. Now is our opportunity to rectify this.

This Bill would provide access to eligibility for registration under the Automotive Transformation Scheme to businesses that have developed electric or non-fossil fuel motor vehicles or engines. It would additionally provide access to eligibility for registration to the ATS for Australian component manufacturers who have developed components specifically for electric or non-fossil fuel vehicles. Current ATS recipients will continue to be supported, but a whole new group of recipients will now be eligible to receive funding under the scheme. The scheme would also be open to new component manufacturers and car makers - not just the established producers.

The Government has indicated its intent to transfer the $800 million of ATS underspend to general revenue due to limitations in the current scheme. What a wasted opportunity that would be. While thousands of Australian workers are expecting to go unhelped into the unemployment line, there are opportunities to make the industry sustainable, both economically and environmentally, into the future. Through this scheme, we can retain the important skills and workers who would otherwise be sent packing on the job market.

The Bill will limit the Minister's ability to block registration in cases where Australian electric and non-fossil fuel motor vehicle and component producers have met key eligibility requirements. This is one of those cases where Ministerial discretion may well be counter-productive to the national interest.

This Bill will change the objects of the Automotive Transformation Scheme Act 2009 to include the mandate to support the Australian automotive industry in its transition away from dependence on the major motor vehicle producers as those producers reduce and cease their Australia operations; and to encourage the design and manufacturing of clean energy technologies and the production of motor vehicles that are not powered by fossil fuels. Managing this transition is essential to the functioning of the expanded scheme, the automotive industry itself and the long term future of our manufacturing sector.

Finally, in the provisions laid out in this Bill, the scheme would allow components manufacturers to also be investing in and developing components for the productions of renewable energy technologies. We already see great potential in Australia for this industry to grow. Precision Components is a South Australian manufacturer that is making frames for solar heliostats, for example. There is great potential for our smart, skilled manufacturing sector to be growing Australian activity in the development and production of these technologies.
The experts all agree that the revolution in our automotive industry is coming. It is estimated by industry and market analysts that the market in electric cars may be worth up to $500 billion dollars by 2025. Australia is already a world leader in renewable energy and sustainable agriculture technology, and there is absolutely no reason that we cannot be world leaders in the green transport and motor vehicle industry either.

The transition in Australia has already begun, but without Government effort we know that advanced manufacturing will struggle to grow. We can see examples of green shoots growing. In Port Melbourne, Futuris supplies components for Tesla. Nissan Casting Australia, based in Dandenong South, now produces powertrain castings for the Nissan Leaf. In South Australia, the Ethan Group are bringing together existing component manufacturers with a plan for innovative production of new motor vehicles, including eventually electric vehicles. There are thousands of potential linkages between Australian industry and the world market, but without the right policy settings and economic incentives Australia will miss out on this once in a generation industrial opportunity.

Marion Council in Adelaide has recently voted to investigate the potential of electric vehicle manufacturing at the Tonsley Park site. Tonsley Park was the site of the old Mitsubishi plant which closed in 2008, and which could be said to be the beginning of the exit of the big automotive manufacturing firms from Australian operations. Would it not be fitting if the place that went first in the wind down of the old industry became the incubator of the new. Let us help make this vision a reality.

We commend the Bill to the Senate.

**Senator RICE:** I seek leave to continue my remarks later.

Leave granted; debate adjourned.

**MOTIONS**

**Women's House**

**Senator WATERS** (Queensland—Co-Deputy Leader of the Australian Greens) (15:42): I, and also on behalf of Senator Moore, move:

That the Senate—

(a) notes that:

(i) 2015 marks 40 years since the foundation of Women's House in Brisbane by members of the community, and

(ii) Women's House is Queensland's oldest women's shelter, and is now Australia's oldest independent women's shelter; and

(b) commends the work of Women's House over the past 40 years, and the work of women's shelters across Australia who help thousands of women escaping domestic violence every year.

Question agreed to.

**Spinal Cord Injury Awareness Week**

**Senator LAZARUS** (Queensland) (15:43): I move:

That the Senate—

(a) notes that:

(i) Spinal Cord Injury Awareness Week is being held in Australia from 8 November to 15 November 2015,

(ii) the week is an initiative of the Australian Spinal Injury Alliance, which represents eight of the country's largest spinal cord injury organisations, and is a national campaign to raise awareness about
spinal cord injuries, to encourage injury prevention, and to create a more inclusive and accessible community for everyone,

(iii) approximately 350 to 400 people sustain a spinal cord injury each year in Australia, and that almost 12,000 Australians are living with a spinal cord injury, and

(iv) the campaign also raises awareness that people who have a spinal cord injury are involved in all aspects of life and are contributing to the community in many different ways, and asks all Australians to consider how they can make their community more inclusive; and

(b) calls on the Federal Government to work with organisations and stakeholders in the spinal injury sector to develop and deliver a National Spinal Cord Injury Strategy that will provide a foundation for better outcomes, both social and economic, for all Australians affected by a spinal cord injury.

Question agreed to.

BUSINESS

Days and Hours of Meeting

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications, Minister for the Arts and Minister Assisting the Prime Minister for Digital Government) (15:44): I move:

That the days of meeting of the Senate for 2016 be as follows:

Autumn sittings:
- Tuesday, 2 February to Thursday, 4 February
- Monday, 22 February to Thursday, 25 February
- Monday, 29 February to Thursday, 3 March
- Tuesday, 15 March to Thursday, 17 March

Budget sittings:
- Tuesday, 10 May to Thursday, 12 May

Winter sittings:
- Monday, 20 June to Thursday, 23 June
- Monday, 27 June to Thursday, 30 June

Spring sittings:
- Tuesday, 23 August to Thursday, 25 August
- Monday, 29 August to Thursday, 1 September
- Monday, 19 September to Thursday, 22 September
- Monday, 10 October to Thursday, 13 October

Spring sittings (2):
- Monday, 7 November to Thursday, 10 November
- Monday, 21 November to Thursday, 24 November
- Monday, 28 November to Thursday, 1 December.

Senator SIEWERT (Western Australia—Australian Greens Whip) (15:44): I seek leave to move an amendment to government business notice of motion No. 1, moved by the Minister for Communications, Senator Fifield.

Leave granted.
Senator SIEWERT: I move:
Omit all words from "Monday, 27 June to Spring sittings (2)" inclusive and substitute:
"Spring sittings:
Monday, 8 August to Thursday, 11 August
Monday, 15 August to Thursday, 18 August
Monday, 5 September to Thursday, 8 September
Monday, 12 September to Thursday, 15 September
Spring sittings (2)
Monday, 24 October to Thursday, 27 October".

I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator SIEWERT: This amendment is similar to the one that we moved last year about the 2015 sitting calendar. These sittings coincide with school holidays on three occasions—in particular, in July for Queensland, Victoria and the Northern Territory. For Queensland and Victoria, they then coincide with the school holidays in September as well. So senators who have young families, with children at school, twice will lose out on being able to spend time with their children during the school holidays. It is quite easy for us to have a calendar that does exclude sitting days on school holidays. We are supposed to be family friendly. It is very hard for us to be family friendly in this Senate. One of the ways we can be is by not calling sitting days on school holidays. (Time expired)

Senator MOORE (Queensland) (15:46): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator MOORE: Again, as I said in this place when a similar motion was moved last time, the Labor Party is not supporting the amendment, though we do understand the concerns raised by Senator Siewert. We say again that these things should be discussed beforehand so that we have the open discussion about the family-friendly processes. But it has been our position that the government of the day has the right to determine the sitting pattern. That is the convention we follow. In making that statement, I say that we should have certainty around the sitting hours and, should there be any requests for extended hours or changes to that, it would only be under exceptional circumstances and there would need to be consideration of that at the time. On that basis, we are not supporting the Greens amendment and we are living by the longstanding convention of putting the onus on the government of the day to set the pattern.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications, Minister for the Arts and Minister Assisting the Prime Minister for Digital Government) (15:47): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator FIFIELD: I appreciate the opposition indicating that they support the convention that the government of the day should determine the sitting schedule. Obviously this is a matter which is determined by both chambers, and it makes sense that both chambers have a common sitting pattern. It is not always possible, given that there are multiple considerations in determining a sitting pattern, to see that school holidays never coincide with sittings of the
parliament. In relation to Senator Moore's comments about whether next year additional hours or days would be granted by the chamber: whether the government requests the chamber to do so will, to a large extent, be a function of whether the various groupings in this chamber facilitate quick passage of legislation. \textit{(Time expired)}

Senator HANSON-YOUNG (South Australia) (15:48): I seek leave to make a short comment.

The PRESIDENT: Leave is granted for one minute.

Senator HANSON-YOUNG: I just wanted to add my support for the amendment but also point out very clearly that the Australian Greens did follow the protocol. We wrote to the government, asking that they did not schedule or suggest that this parliament sits during school holidays, because of the problems it created last year. At the end of last year, when we were discussing this year's calendar, there was quite a lot of comment in this place about how we would not again see the mistake of scheduling sitting weeks during school holidays. Twelve months on, it is as if those words were either (a) forgotten or (b) hollow in the first place. Frankly, I get a bit sick and tired of hearing the lip-service to how we should be encouraging more women into this parliament, when in fact very practical considerations could be made which would make it a much more workable place to be for women. I think it is appalling—\textit{(Time expired)}

The PRESIDENT: The question is that the amendment moved by Senator Siewert be agreed to.

Question negatived.

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

Original question agreed to.

\textbf{Coalmining}

Senator RHIANNON (New South Wales) (15:50): I move:

That the Senate—

(a) notes that:

(i) Shenhua Australia Holdings is seeking to develop a 35 square kilometre coal mine on the Liverpool Plains in north west New South Wales,

(ii) the Liverpool Plains is one of the most productive agricultural regions in the nation, with productivity 40 per cent above the national average,

(iii) the proposed mine threatens the most significant underground water resources in the Murray-Darling Basin, and farmers are dependent on access to these water resources for their survival,

(iv) if the mine proceeds it would:

(A) comprise three open-cut pits, plus associated infrastructure, to mine up to 10 million tonnes of coal per year for 30 years and rail infrastructure to take the coal to the Port of Newcastle for export, and

(B) destroy significant areas of local Indigenous heritage, including grinding grooves that were used by Gomeroi warriors to sharpen spears,

(v) the proposal to relocate Indigenous artefacts does not acknowledge connections to land and country,
(vi) as the price of coal is in structural decline it is irresponsible to risk valuable farming land for a coal mine when renewable energy is commercially viable, and
(vii) more than 750 people attended the Harvest Festival to support the call for no mining on the Liverpool Plains; and

(b) calls on:
(i) the Prime Minister, Mr Turnbull, to reverse the Federal Government's approval of the Shenhua Watermark coal mine; and
(ii) the New South Wales Government not to grant a mining licence for the Shenhua Watermark coal mine.

The PRESIDENT: The question is that notice of motion 918, moved by Senator Rhiannon, be agreed to.

The Senate divided. [15:55]

(The President—Senator Parry)

Ayes .................12
Noes .................31
Majority .............19

AYES

Di Natale, R
Lambie, J
McKim, NJ
Rice, J
Simms, RA
Whish-Wilson, PS

Hanson-Young, SC
Lazarus, GP
Rhiannon, L
Siewert, R (teller)
Waters, LJ
Xenophon, N

NOES

Abetz, E
Bullock, JW
Cameron, DN
Cash, MC
Day, RJ
Fawcett, DJ
Gallagher, KR
Leyonhjelm, DE
Lines, S
Marshall, GM
McKenzie, B
Muir, R
Parry, S
Reynolds, L
Ruston, A
Urquhart, AE (teller)

Back, CJ
Bushby, DC
Canavan, MJ
Dastyari, S
Edwards, S
Fifield, MP
Ketter, CR
Lindgren, JM
Madigan, JJ
McGrath, J
Moore, CM
O'Neil, DM
Peris, N
Ronaldaon, M
Singh, LM

Question negatived.
MATTERS OF URGENCY

Climate Change

The PRESIDENT (15:57): I inform the Senate that I have received the following letter, dated 10 November 2015, from Senator Siewert:

Pursuant to standing order 75, I give notice that today I propose to move "That, in the opinion of the Senate, the following is a matter of urgency:

"That the Turnbull government's commitment to Tony Abbott's UN Climate Targets that deny scientific realities will contribute to catastrophic global warming."

Is the proposal supported?

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

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

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (15:58): I move:

That, in the opinion of the Senate, the following is a matter of urgency:

That the Turnbull government's commitment to Tony Abbott's UN Climate Targets that deny scientific realities will contribute to catastrophic global warming.

With our change of Prime Minister we have seen a complete absence of change to any of the policies that saw the downfall of the last Prime Minister. Prime Minister Turnbull is taking Tony Abbott's targets to the Paris climate conference in a few short weeks. With the change of government in Canada, that leaves Australia at the very back of the pack in terms of our commitment, based on the science, to do what is necessary to address global warming.

We have a wonderful climate change authority in this nation, which we Greens are proud to have helped establish under the former government: a science based, independent expert body that has said that in order for Australia to do its fair share to constrain global warming to less than two degrees—and I will come back to whether even that is adequate in a few moments—we would need to reduce our pollution by 40 to 60 per cent, importantly, based on 2000 levels of pollution. Former Prime Minister Tony Abbott picked the highest year of Australia's emissions as his baseline year. He chose 2005 and then said he would commit Australia to reducing pollution levels by 26 to 28 per cent. When you convert that back to the year 2000, which most other countries use as their yardstick and which we have always used here in Australia, that is about a 19 per cent reduction. The Climate Change Authority, as I have said, said the bare minimum was 40 to 60 per cent. Our former Prime Minister, continued by this Prime Minister, has said 19 per cent is fine. To do less than half of the bottom end of the bare minimum that is needed to keep global warming to two degrees is an absolute outrage. It is an insult to future generations in this country and it is an insult to the current generations living in our Pacific island neighbour countries, who are already facing saltwater incursion into their food-producing land and inundations such that their countries might not exist in a few short years.
Yet the current government, despite the change of leadership, have not changed a thing. In fact, they signed a deal with the National Party saying that they would not change former Prime Minister Tony Abbott's climate targets—they would stick with those anti-science targets that will condemn this world to catastrophic global warming and which would see Australia shirk its international responsibility to do its fair share as one of the wealthiest nations on this planet and, of course, as the highest per capita emitter on the planet.

The current government like to champion the fact that these woeful pollution reduction targets, they say, would entail the biggest per capita reduction. That is true, but do you know what? Even after implementing those targets, Australia would still be the highest per capita polluter on the planet. We are so far ahead of the rest of the world that even after implementing the woeful targets of the Abbott, now Turnbull, government we will still be the world's worst polluter on a per capita basis. That is absolutely shameful. For the government to continue to not even engage on that fact shows their absolute disregard for science. It shows that they continue to be simply a mouthpiece for the coal and fossil fuel sectors, to their eternal shame and to the embarrassment of most Australians, who understand that we need action on global warming not just to safeguard amazing places, like the Great Barrier Reef or the Wet Tropics or Tasmania's magnificent forests or our iconic species, not just for those clear environmental benefits but for our very safety and way of life. I am from Queensland, where we have seen some really horrific extreme weather events in the last few years. We will see more of those, the science predicts, if we continue to pump out the greenhouse gas pollution that our coal industry is exporting to the rest of the world and that, sadly, we are still using way too much domestically.

Is that really the sort of future that you want to condemn us to? If you do not care about the environment, which clearly you do not, if you are not so worried about people's property and their emotional resilience being damaged, have a look at the economic prosperity that we are missing out on by refusing to get on board that transition to clean energy. Have a look at the fact that the global coal price is now in structural decline. There are many economists lining up to say that it is not just a dip it is structural decline. It is not coming back. Look instead at the embrace that other nations are giving to clean energy production, which we could be a part of. This could actually be an economic boon, for us, here in Australia. This is not news. We should not have to point this out at every opportunity. It is patently obvious global economics. The fact that this government still has its head in the sand on the science and on the economics simply shows that it is utterly morally bereft and utterly hostage to the fossil fuel sector.

There was some wonderful news just the other day that the Obama administration in the US has rejected one of the key fossil fuel projects, the Keystone Pipeline, which has long been proposed to open up Canada's tar sands. President Obama rejected it on the basis of its climate impacts. This is the first time that we have seen a project rejected in a developed nation on the basis of its global warming impacts. I hope that it is the start of a trend, because in Australia we have so many of these dangerous, extreme, unnecessary and unfinanceable projects on our books. We have the Galilee Basin in Queensland, which is one of the world's largest coal basins. If it were opened up and all that coal were exported and burnt, should the economy not be as it is, it would be the seventh largest contributor to global emissions. If it were a country, it would be the seventh largest polluter. It is an enormous coal basin that
cannot be opened up or we face the end of the Great Barrier Reef and our existence as we know it.

We have massive plans for fracking. In Queensland alone there are up to 40,000 coal seam gas and unconventional gas wells that various multinationals and some domestic companies, with the full support of this government and, I might add, the opposition, want to sink on our best food-producing land. We have already seen the huge social toll that that industry is having on our regional communities. The shocking passing of Mr George Bender, just a few weeks ago, has really given voice to the desperation that those communities are feeling because nobody is listening to them. We visit and we hear them, but nobody in government is doing anything to protect their land, their livelihood, their water supply and the world's climate. I hope that we can change course in time.

There are some good news stories. I have mentioned that the Keystone Pipeline was rejected. We have a wonderful congregation and coalition of ordinary Australians who are uniting and calling for action on this threat of global warming and who can see that the science says, 'For heaven's sake, this is beyond question; let's get on with it.' Let's get that prosperity from a clean energy economy, which we know Australia is so well placed to take advantage of, which is job rich and which could be an enormous boon for us and would see us catch up to the rest of the world. We absolutely need that.

Part of that, of course, is having strong targets and strong policy platforms. We Greens, at our national conference at the weekend, have just announced that we do not want to see the world stabilise at below two degrees. We want to see the world aim to stabilise global warming at no more than 1½ degrees because, sadly, in the briefings that I have had with quite a number of climate scientists in recent weeks, even a 1½ degree increase in global temperature means the demise of 90 per cent of the world's coral reefs. In Queensland the Great Barrier Reef is hugely central to our economy. It brings in $6 billion every year and employs more than 60,000 people. They are local jobs, jobs in those regional communities. They could be long-term jobs that bring in prosperity for us, for evermore, if we look after the reef.

We know that climate change is the biggest change to the reef, and yet we see these plans for pathetic targets that ignore the science. Every single coal mine or coal-seam gas application that passes the environment minister's desk, no matter which big party it is from, gets ticked off. We saw the attacks on the renewable energy target. We saw the carbon price repealed. We saw the former Prime Minister make an absolute buffoon of himself any time he tried to talk about climate. The current Prime Minister has tried to change the rhetoric but there has been no change in substance. Prime Minister Turnbull needs to increase our targets in the lead-up to the Paris conference. He needs to seriously commit to that global climate finance move. He needs to get out of the way of the reform of global fossil fuel subsidies. He needs to stop embarrassing Australians and prove that we can be the clean-energy economy of the future. (Time expired)

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (16:08): it is so pleasure to contribute to this debate, notwithstanding the nature of the motion and proposal that has been put forward by the Australian Greens. It is so pleasure to reinforce to the chamber and others that Australia is a country that in climate change terms very clearly says what it will do and does what it promises and what it says. That has been the historical
record of Australia's contribution to climate change policy at a global level. What we have consistently said is that we do our fair share and make a sound contribution and that, when we make those commitments, we deliver upon those commitments. That stands in stark contrast to much of the rest of the world in terms of the approach that is taken.

It is to the credit of Australian governments, that, over time, we have successfully set out clear targets for reductions and change in our climate change profile, in our emissions profile, and that we have delivered upon those reductions and changes in our emissions profile. We are a country that is playing our part in reducing global emissions, and we will continue to do so at very substantial levels, notwithstanding the claims and rhetoric of the Australian Greens. We are already delivering lower emissions in Australia and we will continue to do so under the Turnbull government. We have a very strong and credible track record historically of making sure that Australia not only meets its emissions target reductions but exceeds them. And I am confident that, in future, we will do so.

As we approach the Paris conference on climate change Australia is going into those discussions with not just a credible target but a very strong target and a very credible contribution to make. Australia is proposing a target for reduction of emissions of between 26 and 28 per cent below 2005 levels by 2030. When we consider that on a per capita basis, it makes Australia's promised contribution the largest of any developed nation. Our emissions on a per capita basis will be some 52 per cent lower as a result of the commitments the Turnbull government is taking to the Paris conference.

Australia is actively and constructively engaging in these discussions because we want to make sure that we build on our track record of meeting and exceeding the commitments we made under the Kyoto protocol. We want to build on our commitment of being a country that will meet, and probably exceed, the commitments we made in terms of the 2020 reductions. Every time Australia has made a commitment on the world stage to reduce emissions as part of the Kyoto protocol, we have met it and exceeded it. To reduce emissions by 2020, we will meet it and we will likely exceed it. And we are now making commitments on a global level to the largest per capita reduction of any major developed economy. I am confident that we will again meet those commitments and we may well once again exceed those commitments because as a country we take our promises very seriously. We do not make promises that we cannot meet; we make promises that we are determined and confident we will meet.

The evidence is there that we are already achieving real and significant reductions in terms of Australia's emissions profile. Our Emissions Reduction Fund, which the Turnbull government is proud to be operating and continuing, had its first auction in April 2015. Some 47 million tonnes of emissions reduction was contracted at a price of $13.95 per tonne in that first auction. This, of course, was a significant improvement on the type of outcomes that had been achieved under the carbon tax and shows that we can reduce emissions in Australia at a much lower price than what Labor's carbon tax was doing. In fact, the price of emissions reduction under the Emissions Reduction Fund is around one per cent of the cost of emissions changes that were being achieved under Labor's carbon tax. It is a demonstration that there is a cost-effective way and that we can reduce emissions without increasing electricity prices for Australian families and without driving up the cost of electricity for Australian industry and rendering Australian businesses less competitive than our global competitors and damaging jobs and business investment opportunities Australians.
We are seeing strong support for the government's Emissions Reductions Fund. More than 500 projects are currently registered under the Emissions Reductions Fund. I am pleased to advise that the second auction under the fund was held on 4 and 5 November. The results are to be announced this Thursday, 12 November by the independent authority, the Clean Energy Regulator, who is responsible for administering the operations of the Emissions Reduction Fund. Very clearly, we have an effective, efficient policy that is working to help Australia meet its 2020 targets. We have strong targets for 2030 and we will be making sure that we deliver on those targets through the most cost-effective and efficient means in the future.

We are also providing over $15 billion in support for renewables and lower emissions by investing in cutting-edge technology and innovation in this space and a new Office of Climate Change and Renewables Innovation will bring a fresh focus to the role of innovation in supporting renewable and low-emissions technologies. It will bring together the Clean Energy Regulator, the Clean Energy Finance Corporation, the Australian Renewable Energy Agency and the Climate Change Authority under one umbrella to ensure that we have real focus and real leadership across government and to help drive the transformation in our economy. We are confident that Australia can be and will be a world leader in this space. We will be a world leader because we will deliver upon the world's largest per capita reduction in emissions among developed nations. In delivering upon that, we will see the type of innovation and investment continue across the Australia economy that can also assist the rest of the world in their adaptation and change.

We are proud of the record we have on renewable energy and on encouraging the development of our renewable energy agencies and systems in Australia. We are the parties which, under the Howard government, established the mandatory Renewable Energy Target in the first instance and sparked investment in innovation across this sector, particularly in solar. Australia has the highest proportion of households with solar panels in the world. About 15 per cent of Australian households have some form of solar system. The next largest is Belgium at around 7½ per cent and then Germany at 3.7 per cent. It is a clear demonstration of the strong take-up across Australia of various policies and incentives across various governments that have driven that investment in renewable energy and in solar panels. More than 2.4 million solar PV and hot water systems have been installed across Australia. This is a demonstration that the Australian public has adapted to and is adopting change. Under the changes that this government has put in place, the Renewable Energy Target will confidently now see more than 23½ per cent of Australia's electricity coming from renewable sources by 2020. It will mean a doubling of large-scale renewable energy over the next five years. Let us just reflect on that point again for a second: there will be a doubling of large-scale renewable energy in Australia over the next five years under the operation of the Renewable Energy Target.

The idea perpetrated by the Australian Greens that somehow this government and Australia are not doing enough is quite ridiculous. Australia has delivered upon strong commitments in the past, is taking strong commitments to Paris and will deliver upon those strong commitments in future. Australia has implemented and is implementing strong and effective policies that are efficient to ensure that we meet our emissions reductions targets, that we inspire and invest in innovative technologies in the future and that we transform the mix of Australia's energy sector, as well as other areas of emissions. Importantly, much of our
investment is also going into new areas of technology—the opportunity of increasing energy efficiency and the opportunity of ensuring that we invest in soil carbon capture technologies. These are things that other countries around the world can take up and adopt as well.

In this debate, I look forward to hearing if those opposite in the Labor Party have different targets to the government. To date, all I have heard is silence when it comes to targets, while this government is committed to very strong targets. (Time expired)

Senator SINGH (Tasmania) (16:18): I rise to be part of this debate on this important urgency motion and to indicate that Labor will be supporting this motion. This motion very much goes to the heart of the fact that whilst, over the last month or so, we thought that things may change in relation to climate policy in this country, unfortunately, under Malcolm Turnbull, the new Prime Minister, they did not. We thought that policies would at least be brought back to the sensible centre when we talked about climate change and renewable energy. But, on both of those fronts, we are still left wanting.

There is not long to go—only about a month, if that—until the Paris summit. There is important work that needs to be done at that summit, and Australia needs to play a leadership role at that summit and, of course, for our region. Unfortunately, our Prime Minister so far has confirmed that he will not change the previous Prime Minister's emissions reduction targets, including his Direct Action policy, despite the overwhelming evidence that that policy will still see Australia's pollution levels rise and despite the fact that our new Prime Minister has, in the past, been on record—a number of times, in fact—saying that that particular policy, Direct Action, is indeed a farce. Since he has shown in the past that he does not really stand by this policy, is it really then the policy that he wants to take to Paris?

The Climate Institute has indicated that the government's 26 to 28 per cent emissions reduction target is consistent with global warming of three to four degrees. This is where the government cannot have it both ways. It cannot say that, as a country, it is committed to limiting global warming to no more than two degrees, along with its counterparts China, the US and the UK—and, in fact, all major economies around the world—and then not have a policy in place that delivers it. But that is currently what we have. We have a policy in place that will not deliver warming to no more than two degrees. Therein lie the conundrum for our new Prime Minister in the lead-up to Paris. As clear as day, something needs to happen, or he is walking away from that commitment of reducing warming to no more than two degrees.

The former head of the Climate Change Authority, Mr Bernie Fraser, has said that the government's climate action rhetoric has been very disappointing, particularly the Prime Minister's. He said:

He is just sticking with the status quo ... It's a pity his courage deserted him ...

This is where we did think that our Prime Minister would show some courage, because we do know how he has described the current government policy on climate change in the past—as something of an environmental fig leaf, something of a farce, something of a recipe for fiscal recklessness on a grand scale. Well, I agree with him. Direct Action, the current government policy, the policy that was put in place by the previous Prime Minister, Mr Abbott, is a farce and a recipe for recklessness on a grand scale. That is why not one economist has come out and supported it. Now is the opportunity. Malcolm Turnbull was right then; he would still be
right now if he stood by those words—which I hope he still does—and went ahead and changed our government's policy in the lead-up to Paris.

According to RepuTex, Australia's biggest polluters will increase their pollution levels by 20 per cent over the next 15 years without exceeding the baseline set by the government's safeguard mechanism. RepuTex has also confirmed this week that not one company will be required to reduce its pollution levels by this government's policy. That shows that this policy just does not work. That is why I urge our Prime Minister to make the change that he knows needs to happen to this policy because he himself has called it a farce. Labor is committed very much to addressing climate change. That is why we have already outlined our commitment to 50 per cent renewable energy by 2030.

Another factor in the lead-up to Paris is our contribution, or lack thereof, to the Green Climate Fund. I understand that our Minister for Foreign Affairs has, quite rightly, said: Australia is seen as a pragmatic, constructive and results focused member of the Green Climate Fund. It has been that way for some time. Unfortunately, we know that, under the Abbott government, that was not the case. In fact, our previous Prime Minister was dragged kicking and screaming to ensure our government made a contribution to that fund. Whilst it may be the case that we are seen as results focused, we do need to see results from Australia's involvement in co-chairing the Green Climate Fund. The OECD has calculated that about $62 billion a year has been committed, but that makes up a shortfall which is crucial for developing countries. Many of those developing countries are in our region, as close as Papua New Guinea, Kiribati and Bangladesh—all of those countries with the threat of sea level rises and the need for the support of climate finance through the Green Climate Fund. So another plea that I make to our new Prime Minister is that he actually does make a commitment to that fund, as happened under the previous Labor government, where we made a sizeable commitment at the beginning in the development of that fund. That is another commitment that he could make in the lead-up to and at the Paris summit.

The sea level rises in the Asia-Pacific are incredibly alarming. They have been outlined by the IPCC, the Intergovernmental Panel on Climate Change, in its most conservative terms, as a rise, on average, of about four millimetres per year, reaching 0.22 to 0.44 metres above 1990 levels by the period 2090 to 2099. What that means is that those low-lying coastal areas in South-East Asia and those small developing island states in the Pacific are incredibly vulnerable to storm surges, coastal erosion, flooding and inundation. That is why we need to show some leadership in our Asia-Pacific region by making a strong commitment to that climate fund. Furthermore, a one-metre rise in sea level over the next century would actually submerge many small island nations in the South Pacific such as the Solomon Islands, Micronesia, Palau, Tuvalu and Kiribati, and the Maldives in the Indian Ocean, most of which are just two metres above mean sea level. There are clearly threats for the future for our Asia-Pacific neighbours. Support is needed by Australia as an OECD country and we need to commit to the Green Climate Fund in the lead-up to Paris.

The Labor Party made significant investments in renewable energy, establishing, as we know, the Australian Renewable Energy Agency, or ARENA, the Clean Energy Finance Corporation and the Climate Change Authority. ARENA has invested some $1.1 billion and leveraged $1.7 billion in private investment in new and emerging renewable energy projects. So my third plea to our new Prime Minister is: do not abolish the Clean Energy Finance
Corporation and do not abolish ARENA. These are important agencies providing support, investment and a return to government in the renewable energy space. They were part of the climate change architecture created under the previous Labor government, at a time when we were, at some point—it was actually during Malcolm Turnbull's time as Leader of the Opposition—in a state of bipartisanship. I hope we get back to a state of bipartisanship, but that can only happen if this new-broom leader makes some commitment to ensuring that Australia lifts its game in renewable energy and lifts its game in climate change policy—because, at the moment, it is very, very far behind.

Senator RICE (Victoria) (16:28): This government's climate denialism does my head in. The denialism is reflected in the pathetic pollution reduction targets, as just defended by Senator Birmingham. All the initiatives outlined by Senator Birmingham just do not add up to the level of commitment needed. The bottom line is that, even with all of these initiatives, we will continue in Australia to be the worst polluters in the world per head. This government's climate denialism is reflected by statements such as those by Senator Brandis in question time this afternoon, professing the government's love of coal. We cannot overestimate what the consequences of global warming of three or four degrees will be, and that is what these targets are consistent with. My colleague Senator Waters has outlined how inadequate these targets are and what the impacts of continued burning of coal, gas and oil are going to be.

It is not just the devastation of the natural environment; it is the economic and social impacts. If we think we have a refugee problem in the world now, think about when billions of people are going to be made homeless because they can no longer live and can no longer grow crops in river deltas around the world, in India, Bangladesh and Vietnam. Think of the people looking for a new home when water supplies dry up in India and Pakistan. Closer to home, think of how we are going to deal with the drying out of our rivers, and of the massive impacts that are already being felt on agriculture across the country. Think of the hundreds of thousands of people currently living around the coast in Australia who are going to have to move because of rises of metres of sea level. Right now, with just 0.85 degrees of warming, we have just had Australia's hottest month on record and the Victorian bushfire season has started dangerously early. Think of the deaths we are going to have to suffer because of heatwaves and completely unfightable bushfires.

The only way I can cope with thinking about this is to redouble my efforts to make sure it does not happen. We have to slash our carbon pollution globally to keep warming to under 1.5 degrees at the maximum, and if the science is saying that, to maintain a healthy and safe climate, we have to make even deeper cuts to our carbon pollution, then we are going to have to make that possible as well.

Unlike the fossil-fuel-loving members opposite, the Greens are facing the reality of global warming. We see it as an opportunity to transform our economy, our cities and our regions to create a healthier, more vibrant and thriving Australia. The good news, and what I want to focus on in my final two minutes, is that we have lots of low-hanging fruit that we can tackle to get us there, so that we can reshape our economy so that it is healthy, as well as safeguarding our future. If we had serious targets, then these initiatives would be planned and rolled out to help us meet them.

I want to focus on the opportunities of shifting our transport systems to zero carbon transport, because transport causes 16 per cent of Australia's carbon pollution, second only as
a sector to electricity production. The shifts that we need to make to slash this pollution to zero would improve health and safety, improve our quality of life, clean up our cities, reduce congestion and provide better transport options in our regions. It means shifting how we get around—making many more trips by walking, cycling and public transport—and shifting to electric vehicles powered by 100 per cent renewable energy.

Today I want to focus on those vehicle trips and the potential for electric vehicle manufacture, of cars, trucks and public transport vehicles and their components, because they contain amazing opportunities for Australia. Just this afternoon, I introduced a private member's bill which focuses on electric vehicles being the future, and which would expand the Automotive Transformation Scheme to provide a pathway for local auto manufacturing to shift to the technologies and jobs of the future, redirecting existing funding to encourage investment in the manufacture of electric and other non-fossil-fuel vehicles.

Companies like Nissan Casting in Dandenong, who want to expand their production of high-tech components for electric vehicles, are crying out for government support. There are companies like Brighsun, and I was privileged to be at the launch of their electric buses just 10 days ago in Melbourne; they want to establish their world headquarters in Melbourne and to manufacture electric buses that can go 1,000 kilometres on one charge. These are the sorts of initiatives that we should be embracing. We have the potential to have Australian-made components in every electric car built here and around the world. We can transform our economy and tackle global warming at the same time. (Time expired)

**Senator REYNOLDS** (Western Australia) (16:33): I, too, rise to speak against this urgency motion of the Greens which is supported by Labor. I would note that this is yet another example of the Greens' and Labor's hyperbole—in fact, rhetoric—and simple denial of the facts. What we hear is talk of plagues, pestilence, floods and droughts. But the fact is that this government's policies are working. Despite saying that they support this motion, the ALP still provides no credible alternative in any way.

As the minister has just said, this government does what it promises. We are the 12th-largest economy in the world and are responsible for only 1.5 per cent of global emissions. In fact, our emissions reduction target will see Australia reduce our emissions by up to 52 per cent per capita by 2030, which is the largest of any developed nation. Far from the denial of the facts by those opposite, this is a significant fact and it is something that is being delivered.

It is a bit sad that those opposite just cannot stand it when those of us on this side actually have credible environmental policies. This government's environmental policies demonstrably are working, without destroying our economy. This is in stark contrast to the previous ALP and Greens government. This government is ensuring that Australia pulls its weight on the international stage when it comes to mitigating the effects of climate change. We are doing it without increasing the cost to household electricity bills or destroying our currently transitioning economy. We are achieving real and significant emissions reductions at one per cent of the cost of Labor's and the Greens' carbon tax.

Let us have a look at this a bit further, because, under the carbon tax of Labor and the Greens, Australia would actually have experienced a rise in carbon emissions. I will say that again: under the previous government's policy, Australia was on track for an increase in carbon emissions, from 578 million tonnes to 621 million tonnes by 2020. The sheer stupidity of all of this is that the previous government's increase in emissions would have come at a
cost to our economy of at least $9 billion—$9 billion to actually increase carbon emissions in this country.

Coupled with the carbon tax debacle were the previous governments other many flip-flops and failures in actually implementing environmental policy. Let us remember: they scrapped solar projects; they botched the integration of renewable energy into the grid; they wasted millions of dollars on stop-start funding for so-called green initiatives before they even got off the ground.

In complete contrast, this government is successfully implementing sensible and sustainable environmental policies which demonstrably are making a difference. Our emissions reduction target, as I have said, is 26 to 28 per cent below 2005 levels by 2030. It is credible and it is achievable, and it is also working. With this target, the government is actively engaging in international negotiations on climate change—in particular, at the forthcoming 2015 Paris conference in December. This government's practical and realistic climate change policies and emissions reduction target are actually working. Direct Action—'action' means actually doing something and not just planning and implementing failed and botched programs.

What does this mean for Australia. At a fraction of the cost of Labor's carbon tax, we secured Australia's largest emissions reduction commitment ever in the first Emissions Reduction Fund auction, in April 2015. We contracted 47 million tonnes of reduced emissions, at $13.95 a tonne. This was backed by Australian businesses. There are now more than 500 projects currently registered under the Emissions Reduction Fund and we expect this success to continue. The second Emissions Reduction Fund auction was held last week, and the government is looking forward to the announcement shortly by the Clean Energy Regulator of the results. But I am absolutely confident that they will be just as successful as the first round, if not more so.

This is proving to be one of the most effective systems in the world for actually reducing emissions. Other countries—so it is not just us—are looking to what we are doing and are now implementing Direct Action style approaches to reduce emissions, based on our example. In fact, the World Bank—not some dodgy organisation but the World Bank itself—recently launched a $100 million reverse auction that is similar to this government's Emissions Reductions Fund setup.

This policy has been the coalition's position for five years. We have been consistent and firmly resolute in what we think will work for this country. Contrast that with those opposite. The previous government has had five different policies in a little under five years. The Leader of the Opposition now cannot make up his mind. First, he promised to abolish the carbon tax. Then he voted to keep it. Now he wants to bring it back and see electricity prices and the cost of living again skyrocket for no discernible benefit to the environment and to carbon emissions.

Even worse, I am sorry to say, is the policy of the Greens. Without any thought for how it would actually work in the real world and be implementable, they want emissions reductions of 60 to 80 per cent by 2030. I cannot believe that this could possibly be achieved or is even remotely realistic, and we have yet to see any plans on how this would actually be implemented. This afternoon in this chamber with the debate on the blocking of the Carmichael mine we heard another example of this ideological blindness. The practical
The implication of this is that India in the foreseeable future so desperately needs coal-fired power plants to help millions of its people to get out of poverty. By blocking this mine, with our much cleaner coal, India will be forced to go to other nations to get significantly dirtier coal that will produce higher emissions and greater pollution in a country that desperately needs less of both. Again, it is just simply madness.

Their extraordinary record on coal is no better than their record on policies for carbon reduction. Between the two of them, Labor and the Greens paid $5.5 billion to brown coal generators and did not impose any obligations to reduce emissions. I will repeat that, because it is quite extraordinary: they paid $5.5 billion to Australian brown coal generators without imposing any obligation to reduce emissions. It is unfathomable policy.

Compare this mind-boggling track record with our record in government. Our Direct Action policies—as in 'action', which is actually doing something that is working—are ensuring we reduce emissions without increasing the cost of living for ordinary Australians. We are providing $15 billion in support for renewable energy and other innovative technologies to lower emissions, and we are doing it without imposing a carbon tax or imposing significant and unnecessary burdens on our economy.

We are establishing the Office of Climate Change and Renewables Innovation to bring a new focus to the role of innovation in the future of environmental energy technology. I am also pleased to note that the new Office of Climate Change and Renewables Innovation will streamline existing agencies to deliver more efficient government support to renewable energy.

Australia has a strong and very proud record on renewable energy, and this government remains committed to improving on it. We are supporting Australian households to reduce their electricity bills by investing in rooftop solar energy. In fact, Australia today has the highest proportion of households with rooftop solar panels, at about 15 per cent. To put that in context, one of the world leaders in solar panel production, Germany, has about 3.7 per cent only.

This government has a policy that is actually working. As much as it pains those on the other side to acknowledge it, this government does actually have effective environmental and climate change policies. The facts are very clear—we do. In contrast, Labor's plan has been costed at $85 billion— (Time expired)

Senator McALLISTER (New South Wales) (16:43): I rise to support the motion. I do so at a time when it is more important than ever that we consider Australia's role in the global fight to contain global warming to less than two degrees. In just a few weeks, parties from all over the world will congregate in Paris. The goal, of course, is to obtain commitments from all countries, for the first time, to reduce their emissions and ensure that we can keep the global temperature at a safe level.

In this country, unhappily, the debate has not been helped by those opposite. It concerns me greatly when I look at the actions that the government is taking, or failing to take, as we approach this very important meeting. All developed countries intended this year to submit their targets for this conference. Australia was the last of the major developed nations to put forward its target.
The government has now said that we will reduce emissions by at least 26 to 28 per cent by 2030 from 2005 levels. Unfortunately, this initial target probably does not help us meet the goals that we need to meet at this meeting. The Climate Institute has indicated that if others took the same approach and took on the same share that we have chosen to take on then we would be locked in to three to four degrees of global warming. This is completely unacceptable. It is unacceptable that we would contemplate playing a role in a global agreement that undermines our ability to reach the two per cent target. It is unacceptable that in putting forward this target, instead of standing at the front and leading—as it is in our interests to do and is our responsibility to do—we have chosen to stand at the back of the pack.

The other thing that concerns me greatly, as we consider the government's approach to this issue, is the policy mechanism, which Senator Reynolds has been discussing. Direct Action has been out there for six years, and every expert and stakeholder group who has looked at this policy has confirmed that it will not achieve meaningful reductions in carbon pollution. AiG have predicted that if the government's emissions reduction target were delivered solely through budget spending, as this policy demands, it would cost between $100 billion and $250 billion. According to RepuTex, Australia's biggest polluters will increase their pollution levels by 20 per cent over the next 15 years without exceeding the completely inadequate baselines that are set by the government's so-called 'safeguard mechanism' under Direct Action.

What really surprises me is that with the change of leader, the change of Prime Minister, the government has confirmed that it is sticking with this approach. Mr Turnbull, the Prime Minister, has previously indicated his contempt for the policy settings that I have just spoken about. Yet, just in the last few weeks, he has confirmed his intention to push forward with them, saying:

The policy we have in place is very clearly costed and calibrated … and it is effecting reductions in emissions now and at a very low cost.

It is disappointing—isn't it?—but it is really not hard to see why, because when you look at the rest of the people in his party room, they are simply not on the same page. If we look at someone like Barnaby Joyce, as recently as 2012 he said:

It is an indulgent and irrelevant debate because, even if climate change turns out to exist one day, we will have absolutely no impact on it whatsoever … we really should have bigger fish to fry than this one …

In fact, this year he said:

Look … I just—I'm always sceptical of the idea that the way that anybody's going to change the climate—and I'm driving in this morning and we're driving through a frost—is with bureaucrats and taxes.

We have a group of people in the coalition who fundamentally do not accept the science, who do not accept the role of humans in changing the climate and who are fundamentally unwilling to take the necessary steps for Australia to contribute to a meaningful global contribution to fix this problem.

The Prime Minister, in fact, knows that this is wrong. In 2009 he famously penned the words that 'Abbott's climate change policy is …'—and we all know how the rest of that quote finishes. He also said:
The Liberal Party is currently led by people whose conviction on climate change is that it is "crap" and you don't need to do anything about it. Any policy that is announced will simply be a con, an environmental figleaf to cover a determination to do nothing.

He went on to say:

First, let's get this straight. You cannot cut emissions without a cost. The way that the government has resolved this challenge is that, instead of asking polluters to pay, they have asked ordinary people to pay. They have asked taxpayers to cough up billions of dollars to fix a most serious problem and, unfortunately, to craft a solution that simply will not deliver.

It is tempting to cast this as simply a question of our global responsibilities, and there is no doubt that we have very real responsibilities, particularly to our Pacific neighbours, as Senator Singh pointed out. However, even if we think only of our own self-interest, there are powerful reasons for Australia to act. We are highly vulnerable to the impacts of climate change. Warming of two degrees or more will induce significant loss of species, including those much loved species on the Great Barrier Reef that provide so much pleasure to so many Australians and provide a tourism industry and an income to many, many people in Northern Queensland. Warming of two degrees or more would produce dangerous water shortages. It would produce severe damage to coastal infrastructure and settlements. It would lead to large areas of agricultural land being taken out of production and to major risks to human life from extreme climate events.

Before I came to this place, my work in the infrastructure sector led me to have a lot of contact with those parts of Australian business that are running transport infrastructure, water infrastructure and electricity infrastructure. All of those businesses are currently making plans to deal with climate change, and when they look at what the costs of climate change will be to their business, they are not insignificant. They are particularly significant when you start to think about the impact of the increasing frequency and severity of severe weather events. If you think back to Cyclone Yasi and the floods in Victoria, the cumulative Commonwealth bill for that was $6.6 billion. Infrastructure deficits are already a problem for this country. Infrastructure that is adequate to cope with significant levels of global warming will be enormously expensive, and we need to be thinking in a very clear way about the costs to all of us if Australia goes down a path where we fail to address and halt global warming.

My concern also lies with our failure to capture the economic opportunities that will present as the globe decarbonises. We are falling behind. Investment in large-scale renewable energy fell by 88 per cent in 2014, despite the fact that, globally, clean energy investments grew by 17 per cent. This is totally unacceptable. Climate change will not be the only course of economic change for our country in the next decades. It is true that any change is difficult and produces costs and challenges for some communities. We need to confront those head-on, and we need to consider that there are very real risks to leaving change to the last minute. Rapid change is very hard for communities to deal with and leaving things to the last minute presents the very real risk that we will fail to capture the upside and will fail to get involved in the industries that might provide our people with good jobs, well-paid jobs, jobs that are
connected to global markets in the energy sector, and we need to act on that now and not leave it to the last minute.

I want to talk about our approach. Labor in government will put a legal cap on carbon pollution. In fact, we will put on exactly the kind of price cap that was previously advocated by the Prime Minister before he decided to get on board with the fairly backward views of his colleagues on this question. We will increase the share of renewable energy in our electricity mix to 50 per cent by 2030 and we will work to create the jobs of the future through an electricity modernisation plan. We are moving into a very important period in terms of obtaining a global deal. Now is the time for Australia to be in the lead, not lag behind. I urge the government to change its approach. (Time expired)

Senator RHIANNON (New South Wales) (16:53): I dedicate this speech to John Davis. John tragically died in a helicopter accident in the Hunter a few days ago. John was a passionate advocate about renewable energy and having action on climate change. His website with David Sentinella is called www.energy-without-carbon.org. It has always been a valuable asset. When I looked at it today, I felt that in many ways it is a memorial to him. In time I hope it will be continued, because it is full of information: politics, science and why this issue needs to be dealt with and dealt with urgently.

John would have been so pleased with this motion. Indeed, he would have been very proud that the Greens are nailing it and that we are taking it up to Mr Turnbull, a Prime Minister who came in making out that he was here to give leadership. How fundamentally he has failed. This is something that I know worried John, like it worries a lot of people. All we are seeing from the new Prime Minister is that he is following in the footsteps of the previous Prime Minister on this issue and is failing to step up at such a critical time. John would have been so proud of Senator Larissa Waters’ passionate and informative speech when she opened this debate. John was very proud of the Greens MPs, and this is something that I know would have meant a great deal to him.

What drove John was his work for future generations. He knew that we have to deal with climate change now. We have heard many people speak about what is happening in the Pacific, but he also had an eye on the future and recognised how very urgent this is. He brought so much expertise to this work. He had been a maths and science teacher, a chemical engineer and a filmmaker. He made thousands of educational videos. He had worked with the ABC. He brought so much talent to the new period in his life when he was adding his energy and commitment to this most important campaign that humanity is dealing with at this very moment. I send my condolences to his partner, Felicity, and his family and friends.

Again, I want to give emphasise in this speech to the wonderful website that really encapsulates his work: www.energy-without-carbon.org. I remember that, when I first saw it, I thought he had come up with a wonderful slogan. In the past months he had been working on a new film about renewable energy and the campaign around global warming. He interviewed many of us for that and I very much hope that it will be finished. He had a Twitter account. These days when somebody dies, there are ways to look at what they left, and you can do that quite quickly. I want to share with you one of John's Tweets. To my mind it is clever and amusing, but it also sums up what we are dealing with now. The Tweet said: 'Let the fossils rest in peace. Only dinosaurs dig fossils.' Sometimes Tweets really capture it,
and in many ways the speeches in support of the important motion we are dealing with here today are summed up by that very important Tweet that John sent out to the world.

John had been a Greens candidate in the seat of Davidson in the 2011 state election, picking up 12.5 per cent of the vote. John used all of those means—making films, Tweeting, his website and speaking to people—to take up the urgent issues around climate change. When he spoke he identified the key role that government has in driving change. I remember talking to him about this. He linked the role of government with the urgency of driving the transition to a clean energy economy. Clean energy was the essence of what John spoke about time and time again. This is one quote from his website:

... business does not have any pressure to look after common property, or the long term future. Issues such as health, environment, or a society's culture need to be protected by government on behalf of society.

(Time expired)

**The ACTING DEPUTY PRESIDENT (Senator Whish-Wilson):** The question is that the motion put by Senator Waters be agreed to.

Question agreed to.

**DOCUMENTS**

**Consideration**

The documents tabled earlier today (see entry no. 2) were called on but no motion was moved.

**COMMITTEES**

**Standing Committee on Appropriations, Staffing and Security**

**Report**

*The ACTING DEPUTY PRESIDENT (Senator Gallacher) (16:59):* On behalf of the President, I present the annual report for 2014-15 of the Standing Committee on Appropriations, Staffing and Security.

Ordered that the report be printed.

**Procedure Committee**

**Report**

*Senator MARSHALL (Victoria—Deputy President of the Senate and Chair of Committees) (16:59):* I present the Procedure Committee's third report of 2015.

Ordered that the report be printed.

*Senator Marshall:* I move:

That consideration of the report be made a Business of the Senate order of the day for the next day of sitting.

Question agreed.

*Senator Marshall:* by leave—I move:

That the Senate take note of the report.

*Senator MARSHALL:* This report addresses two matters that have been considered recently by the Procedure Committee. The first matter is consideration of ministerial
statements, while the second is a minor adjustment to standing orders sought by the Joint Committee on Publications.

Senators on the committee considered that the presentation of ministerial statements to both Houses was an important feature of parliamentary government. In relation to the presentation of ministerial statements, the committee endorsed the following practices:

- Ministerial statements should continue to be included as a standard item on the Red for those occasions when there is a desire to debate a significant statement.
- However, the practice of presenting routine ministerial statements with documents handed in at the commencement of sittings should continue, consistent with recent attempts to streamline presentation and consideration of documents.
- Governments should be encouraged to present ministerial statements to both Houses unless the statement concerns an issue of relevance to only one House.
- Governments should be encouraged to provide information about forthcoming ministerial statements in time for consideration by the Whips meeting (for consultation on whether a statement should be presented separately at the designated place on the Red).
- Governments should be encouraged to notify Opposition spokespeople and cross-benchers in advance of particular ministerial statements.

The committee also endorsed the principle that senators should have a right to speak to ministerial statements, although it has resolved to consider further at a later date whether the oral presentation of a ministerial statement should continue to require leave. In the meantime, the committee has recommended the trial of a temporary order that would create a right for any senator, including a minister, to take note of a statement and speak to it for not more than 10 minutes.

The committee’s second recommendation is for a minor change to standing order 22, at the request of the Joint Committee of Publications, to bring the standing order into line with contemporary practices for the publication of documents in both printed and digital formats.

I commend the report to the Senate and, if no other senator wishes to speak, seek leave to continue my remarks.

Leave granted. Debate adjourned.

**Joint Standing Committee on Treaties**

**Report**

**Senator CANAVAN** (Queensland—Nationals Whip in the Senate) (17:03): On behalf of Senator Fawcett I present two reports of the Joint Standing Committee on Treaties, as listed at item 14 on today’s order of business, and seek leave to incorporate the tabling speech into Hansard.

Leave granted.

The tabling speech read as follows—

Mr President, today I present the Joint Standing Committee on Treaties’ Report 154: Treaty tabled on 17 June 2015 and Report 155: Treaties tabled on 11 and 12 August 2015.

Report 154 contains the Committee’s review of the China Australia Free Trade Agreement and Report 155 covers two treaty actions:
Australia's denunciation of the Convention relating to International Exhibitions, and Protocol of Signature (Paris, 22 November 1928)

Australia's ratification of the Asian Infrastructure Investment Bank Articles of Agreement (Beijing, 29 June 2015)

Mr President, the China Australia Free Trade Agreement has generated substantial public attention. China is currently Australia's largest trading partner with two-way trade worth $160 billion in 2013–14. Together with the trade agreements with Korea and Japan, ChAFTA will open up the major Asian markets to Australian consumers and industry.

Mr President, ChAFTA has been described as a 'watershed', 'transformative' agreement and is expected to deliver significant commercial benefits to a wide range of sectors. We found that many industries, including dairy, beef and fishing, are expected to benefit substantially from its implementation. The service industries too are set to capitalise on the opportunities presented by China's growing middle class and its ageing population.

However, Mr President, the labour provisions in ChAFTA proved controversial. The core issues involve Australia's immigration framework for temporary workers. This is a complex legal area and the Committee was presented with often diametrically opposed views. Adding to the confusion, a number of separate issues tended to be conflated both in the public perception and in the evidence to the Committee.

After careful consideration the Committee is satisfied that the safeguards within Australia's immigration and employment frameworks will mitigate the concerns raised. But we make the proviso that the government organisations responsible for ensuring compliance must be adequately resourced.

Mr President, the Committee is acutely aware that Australia is losing market share in the burgeoning Chinese economy because of China's existing trade agreements. Some of these FTAs are with Australia's major competitors such as New Zealand, Chile and ASEAN. The negotiation of a FTA with China appears the most realistic option to combat Australia's growing competitive disadvantage.

Mr President, the Committee wants to ensure that the full benefit of ChAFTA is realised by Australian businesses and industry. Australia's existing free trade agreements are woefully underutilised with only 19 per cent of Australian exporters making use of them. To achieve the promised economic growth, more steps must be taken to increase uptake.

To this end Mr President, we have recommended that work on alleviating non-tariff barriers be prioritised and accelerated. We also recommend increased effort be made to educate and support Australian businesses and industry to understand and access FTAs.

Mr President, the Committee supports ratification of the China Australia Free Trade Agreement.

Turning to Report 155, the Committee also inquired into the Asian Infrastructure Investment Bank Articles of Agreement. The primary purpose of the Asian Infrastructure Investment Bank is to address the need for infrastructure funding across our region. There is expected to be a multi-trillion dollar shortfall for infrastructure spending in Asia in coming years. New infrastructure will drive economic growth and jobs, providing opportunities for Australian trade and business. If Australia becomes a founding member of the AIIB it will be able to influence key decisions and policies as the Bank becomes established.

Mr President, the Committee supports Australia's ratification of the treaty actions in this report and recommends that binding treaty action be taken.

Mr President, on behalf of the Committee, I commend these two Reports to the Senate.
Parliamentary Joint Committee on Intelligence and Security
Government Response to Report

Senator RYAN (Victoria—Assistant Cabinet Secretary) (17:03): I present the government responses to committee reports as listed on today’s order of business. In accordance with the usual practice, I seek leave to incorporate the documents in Hansard.

Leave granted.

The documents read as follows—
Parliamentary Joint Committee on Intelligence and Security
Review of the re-listing of Hizballah’s External Security Organisation
Tabled 22 June 2015
The Government’s Response to Committee’s Recommendation
Recommendation 1:
The Committee recommends that the regulation, made under the Criminal Code section 102.1, to list Hizballah’s External Security Organisation as a terrorist organisation, not be disallowed.
Response:
The Government agrees with the recommendation.

Parliamentary Joint Committee on Intelligence and Security
Review of the re-listing of Ansar al-Islam, Islamic Movement of Uzbekistan, Lashkar-e Jhangvi and Jaish-e-Mohammad
Tabled 25 May 2015
The Government’s Response to Committee’s Recommendation
Recommendation 1:
The Committee recommends that the regulations, made under the Criminal Code section 102.1, to list Ansar al-Islam, Islamic Movement of Uzbekistan, Lashkar-e Jhangvi and Jaish-e-Mohammad as terrorist organisations, not be disallowed.
Response:
The Government agrees with the recommendation.

Consideration
Order of the day no. 1 relating to committee reports and government responses was called on but no motion was moved.

BILLS
Social Services Legislation Amendment (More Generous Means Testing for Youth Payments) Bill 2015
First Reading

Bill received from the House of Representatives.

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (17:06): I move:
That this bill may proceed without formalities and be now read a first time.
Question agreed to.
Bill read a first time.

Second Reading

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (17:06): I move:
That this bill be now read a second time.
I seek leave to have the second reading speech incorporated in Hansard.
Leave granted.
The speech read as follows—
This Bill will implement the Government's 2015 Budget measure that will provide more generous and consistent support for families with dependent young people who qualify for certain youth income support payments.

From 1 January 2016, this will include removing the family assets test and the family actual means test from the Youth Allowance parental means test arrangements. This will result in a more consistent level of support for families, as young people move from Family Tax Benefit Part A to an individual income support payment. The parental income test exemptions for Youth Allowance will also be aligned with existing arrangements for Family Tax Benefit Part A.

Also from 1 January 2016, maintenance income will be removed from the Youth Allowance parental income test assessment. From 1 January 2017, a separate maintenance income test for the treatment of child support will be applied, like the test that currently applies to Family Tax Benefit Part A.

The last component of this Budget measure will apply from 1 July 2016 to families that have dependent children receiving individual youth payments that are parentally income-tested, and also younger dependent siblings. In those circumstances, the 'family pool' for the youth parental income test will include a notional maximum rate of Family Tax Benefit Part A for all of the children for whom the parents have financial responsibility. This will result in a lower rate of reduction to the dependent child's Youth Allowance than is currently the case.

With a financial commitment from the Government of $262.7 million over the forward estimates, this Bill will bring extra support to families as their children move into young adulthood—particularly rural and regional families whose children continue to study beyond Year 12.

Removing the family assets test for Youth Allowance will allow around 4,100 additional dependent Youth Allowance claimants to qualify for the first time, accessing average annual payments of more than $7,000 a year.

Removing the family actual means test will see around 1,200 more people receiving Youth Allowance for the first time, as well as increasing payments for around 4,860 existing students by approximately $2,000 a year.

The changes mean farming families will not have farm assets counted toward the means test for their dependent children claiming Youth Allowance.

Including all FTB children in the family pool for the youth parental income test will allow around 13,700 families, with dependent children in both the Family Tax Benefit Part A and youth systems, to become eligible for an average increase in payment of around $1,100 a year. Around 5,800 families, who currently miss out on payments due to the combined high taper rates, will also become eligible for an average payment of around $1,300 a year.
The changes will reduce the significant regulatory burden on around 30,000 families subject to the family actual means test and around 200,000 families subject to the family assets test.

These measures were adopted following an examination of issues by an Interdepartmental Committee on Access to Higher Education for Regional and Remote Students at the urging of Senator Bridget McKenzie and her backbench colleagues, who have been pressing us to do more to improve access to education for regional and remote students.

Removing complex and unnecessary means tests and improving the operation of the parental income test is a good first step in responding to concerns over parental means testing and the level of student assistance available, which were identified in the Interdepartmental Committee's interim advice.

Senator Bridget McKenzie has just completed a series of Regional Higher Education Forums to discuss access to higher education, the IDC's Interim Advice and the 2015-16 Budget. Feedback from the forums will provide useful input into the Final Report of the Interdepartmental Committee that is due in November 2015.

This Bill is boosting assistance for working families, and better supporting young people into study to build their careers, develop economic opportunities and contribute to our economy.

Debate adjourned.

Australian Crime Commission Amendment (Criminology Research) Bill 2015

Bill received from the House of Representatives.

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (17:06): I move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (17:06): I present the explanatory memoranda and I move:

That this bills be now read a second time.

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

Leave granted.

The speeches read as follows—

AUSTRALIAN CRIME COMMISSION AMENDMENT (CRIMINOLOGY RESEARCH) BILL 2015

The Australian Crime Commission Amendment (Criminology Research) Bill brings together the national criminal intelligence, analysis and research capabilities of two of Australia's leading law and justice agencies, the Australian Institute of Criminology (AIC) and the Australian Crime Commission (ACC).

The Government sees great opportunity in combining the resources of the AIC and the ACC to provide Australian law enforcement agencies with central access to a consolidated and comprehensive criminal research and intelligence resource.

Having a unified resource of this type would significantly enhance support for law enforcement and bolster Australia's response to serious and organised crime.
It would also allow police, justice agencies and policy-makers at all levels of government to adopt a more effective, efficient and evidence-based response to crime.

Implementation model

Following a merger, the AIC will form a new research branch of the ACC – the Australian Crime
and Justice Research Centre – headed by a research specialist.

The Australian Crime and Justice Research Centre will move from carrying out largely self-directed
research (as the AIC currently does) to doing work primarily for the ACC, with far greater access to
classified information.

This is expected to increase the value and relevance of AIC research. It will provide an enhanced
evidence base to support a proactive and targeted response to crime by all Australian law enforcement
agencies.

The Australian Crime and Justice Research Centre will also continue to carry out national
monitoring programs, such as the national deaths in custody program and the Drug Use Monitoring in
Australia project, and will continue to carry out commissioned research on a fee-for-service basis. The
Australian Crime and Justice Research Centre should also continue to have access to the same data sets
as the AIC currently does.

Key measures

The Bill contains a number of measures that would give effect to these proposed arrangements for
the merged agency.

Primarily, this Bill amends the Australian Crime Commission Act 2002 (ACC Act) to enable the
ACC to carry out the AIC’s research work. This includes conducting criminology research, sharing that
research and other resources, such as the JV Barry library, with the private sector and the public, and
holding seminars and conferences on important criminology research issues.

The Bill also amends the ACC Act to ensure that the ACC is able to charge for commissioned
research, as the AIC currently does, with charges paid into the Criminology Research Special Account.
This will enable states, territories, universities and other interested organisations to continue to
commission specific work from the merged agency, as they currently do from the AIC.

The Bill also repeals the Criminology Research Act 1971 to abolish the AIC as an independent
statutory agency. As the position of the AIC Director will not be required post-merger, the provisions
dealing with this position are not replicated in the ACC Act.

Criminology Research Advisory Council

This Bill does not create a legislated role for the Criminology Research Advisory Council. This was
a body formed to advise the AIC Director on a number of strategic issues, including the AIC’s research
priorities.

Following a merger, the ACC Board will become responsible for determining the ACC’s high-level
research priorities. However, in setting these priorities the ACC Board may take advice from a
non-legislated advisory body, comprising representatives from state and territory justice and law
enforcement agencies.

This will ensure that state and territory justice agencies continue to play an important role in shaping
the future direction of the merged agency's criminological research program.

Conclusion

This Bill implements an important consolidation of Australia's criminal research and intelligence
capabilities. With the merger of the AIC into the ACC, the ACC will be better able to fulfil its role as
Australia’s national criminal intelligence agency, supporting and informing the efforts of law
enforcement agencies around Australia.
Similarly, the new 'Australian Crime and Justice Research Centre' in the ACC will continue to prepare and disseminate world-leading criminological research, which informs our understanding of the trends and developments in crime and justice.

Debate adjourned.

**Crimes Legislation Amendment (Powers, Offences and Other Measures) Bill 2015**

Consideration of House of Representatives Message

Message received from the House of Representatives agreeing to the amendments made by the Senate to the bill.

**Australian Government Boards (Gender Balanced Representation) Bill 2015**

Report of Legislation Committee

Senator CANAVAN (Queensland—Nationals Whip in the Senate) (17:07): Pursuant to order and at the request of the Chair of the Finance and Public Administration Legislation Committee, I present the committee's report on the Australian Government Boards (Gender Balanced Representation) Bill 2015, together with the *Hansard* record of proceedings and documents presented to the committee.

Ordered that the report be printed.

**Migration Amendment (Charging for a Migration Outcome) Bill 2015**

Report of Legislation Committee

Senator CANAVAN (Queensland—Nationals Whip in the Senate) (17:07): Pursuant to order and at the request of the Chair of the Legal and Constitutional Affairs Legislation Committee, I present the committee's report on the Migration Amendment (Charging for a Migration Outcome) Bill 2015, together with the *Hansard* record of proceedings and documents presented to the committee.

Ordered that the report be printed.

**Migration and Maritime Powers Amendment Bill (No. 1) 2015**

Report of Legislation Committee

Senator CANAVAN (Queensland—Nationals Whip in the Senate) (17:07): Pursuant to order and at the request of the Chair of the Legal and Constitutional Affairs Legislation Committee, I present the committee's report on the Migration and Maritime Powers Amendment Bill (No. 1) 2015, together with the *Hansard* record of proceedings and documents presented to the committee.

Ordered that the report be printed.

**Tax Laws Amendment (Combating Multinational Tax Avoidance) Bill 2015**

Debate resumed on the motion:

That this bill be now read a second time.

Senator DI NATALE (Victoria—Leader of the Australian Greens) (17:08): I rise to speak in support of the Tax Laws Amendment (Combating Multinational Tax Avoidance) Bill 2015. This bill applies to companies with a global turnover of over a billion dollars. It will ensure that those entities give to the Commissioner of Taxation statements regarding their global
operations and activities, including how their income and activities are distributed across countries. There will be a limited ability to object to taxation rulings made by the commissioner. The bill will double the administrative penalty if entities are found to be avoiding Australian tax. The general anti-tax-avoidance rules of the Australian Taxation Office will apply so that the commissioner will consider foreign tax laws when determining whether there are reasonable alternatives to the tax scheme which was entered into.

I firstly want to pay credit to the Tax Justice Network report. The Tax Justice Network was instrumental in leading to this outcome, in large part because of their advocacy. I also want to pay tribute to my predecessor, Christine Milne, who, as a result of the Tax Justice Network report and the work of others, referred this issue to a Senate inquiry. I firmly believe that without that report and the work of Senator Milne, Senator Whish-Wilson and others, we would not be debating this bill in the parliament today.

The proposed changes are an improvement on where we are now, and that is why we will support them. But those changes alone are not sufficient to address the issue of multinational tax avoidance. They go a small part of the way towards addressing this problem, but much more needs to be done. The government appears to be confused on the issue. On the one hand, it is obvious that the public response to the Senate inquiry and subsequent report forced the government to act. There is absolutely a huge appetite within the Australian community to address the issue of multinational tax avoidance, because it is seen as an issue of basic fairness. Right now we are having a debate in this country about increasing the GST. Many Australians rightly ask why it is that we would introduce a tax that would affect people on low and middle incomes when we have large foreign multinational companies paying very little tax for their activities here in Australia. The government has at least recognised that and has responded to that public pressure.

But, at the same time as putting this bill before the parliament, it also pushed through only a few short weeks ago a bill that Michael West described as the 'Rich Mates Act amendment bill', which would encourage tax evasion by hiding from public view the income received and tax paid by some of Australia's largest private companies. Those large private companies were allowed to continue their activities and ensure that they hid from public view the level of income tax that they paid. That is incredibly disappointing, because we know that these companies trade on their reputation or their brand.

We only need to look at international experience to see that the best proven way to dissuade tax avoidance is to threaten the reputation or brand of prominent companies, who do not want to have their brand tarnished, who want to continue to operate and have a social licence. We saw this in the UK, when disclosure measures were introduced. We saw companies like Amazon and Starbucks declaring that they would pay tax on UK sales. Up until that point, when their tax avoidance activities were hidden from the public, there was very little tax paid on the huge profits they earned. Now, as a result of the disclosure measures within the UK, we are seeing those big companies beginning to pay tax on UK sales. Here in Australia we have the renowned tax avoider, Glencore, saying that they will close their Singapore marketing hub and begin to pay tax in Australia, as their tax avoidance activities are becoming public.

While we support the measures in this bill, it is that critical transparency measure that is necessary if we are to make further progress on the issue of multinational tax avoidance—and
we know just how important that is. At the same time that we are in a fiscally constrained environment, as we are constantly being told we are now in, when we have governments telling us we cannot afford to fund, for example, our schools; refusing to commit to funding the out-years of the Gonski reform package; and telling us that Medicare is unsustainable, large companies are reaping huge profits in Australia and not paying their fair share of tax. So that transparency measure is critical.

It is interesting, when we look at the government's justification for not supporting increased transparency measures amongst some of Australia's biggest private companies, to look at the Senate report into that issue, where we saw that much of the government's justification for not supporting those transparency measures was based on the contributions of an organisation known as the Family Office Institute Australia. Its submission, in large part, informed the Senate report that recommended the government shield those privately owned companies from increased transparency. One thing we learnt recently, thanks to an investigation by Heath Aston of Fairfax, is that the Family Office Institute Australia is an organisation, an entity, that has no members. The institute was established in August—specifically to fight the tax transparency laws in that legislation—by two lawyers and a Canberra lobbyist who represent Australia's ultra rich in disputes with the Australian tax office. That is according to Heath Aston. So here we have legislation in the Australian parliament dictated by a handful of lobbyists representing some of Australia's wealthiest private businesses who simply do not want to disclose their activities to the Australian public.

In 2013 the tax office said that disclosure by companies with revenue of more than $100 million would 'discourage large corporate entities from engaging in aggressive tax avoidance practices'—that is, disclosure and transparency are key if we are to make progress in this area. What was the coalition's response to that? They came up with a farcical response that, in the words of University of New South Wales lecturer Jeffrey Knapp, was 'the stupidest excuse for nondisclosure I have ever heard'. It was: if we were to increase transparency and disclosure within some of these companies, we would see wealthy business owners being targeted for kidnap once the public became aware of how wealthy they were. Just imagine that—how ridiculous for the Assistant Treasurer, Josh Frydenberg, to be telling his party room, 'We can't disclose the activities and tax avoidance practices engaged in by some of these large private entities because some of them might get kidnapped.' In this business, I recognise that facts sometimes do not matter, but, if you are going to make stuff up, surely you can come up with something better than that. We learnt through the inquiry that that statement was based on no security advice provided to the government. It was effectively a veneer to try to shield some of these wealthy businesses and prevent them from disclosing how much tax was paid. And we know that this institute was only established on 6 August this year, six days after the bill was introduced into the parliament. So that is what we are dealing with here.

We are going to try and fix that. Only a few short weeks ago the parliament rammed through that legislation that would protect and shield some of those wealthy private companies who are not paying tax. We are going to address it by an amendment which would undo those shocking transparency measures that the Senate recently passed. I look to Senator Xenophon and hope that he has reconsidered his position. He is an often thoughtful and reflective individual, and I am sure that now, on the evidence that he has collected, he will have the opportunity to support the Greens amendment. Private companies are being allowed
to keep their tax payments secret. We are going to undo that, because we believe it fosters a culture of tax avoidance.

We are also planning to amend this legislation through another measure, which would prevent global companies with a turnover of over $500 million from being able to file what are known as special-purpose accounts with ASIC. Instead of filing special-purpose accounts, which effectively allow them to, again, hide the details of their business activities and the amount of tax that they pay or do not pay, they will have to file general-purpose accounts that enable accountants acting in the public interest—those people who want to be able to scrutinise a company's accounts and transactions—to do so and to have the necessary information to be able to do it.

I reiterate: it is critical that these measures are passed, that both of these amendments receive the support of the parliament, because we are engaged in a debate about how we fund things like schools, hospitals, income support and those things we know are the building blocks of a decent society. Unless we begin to address the issue of multinational tax avoidance and take on the transparency and disclosure measures that are necessary to do that, then we will not do everything that we need to to ensure that these huge companies pay their fair share of tax.

With regard to these special-purpose accounts that enable big companies to hide their business activity, we know that there has been a growing trend for many of these big companies to file accounts which show shareholders and the broader public absolutely nothing about their financial state. They simply have to file this special-purpose account, ASIC agrees, and what you see is companies engaging in obfuscation. We know that there are no fewer than 20 multinational companies that have been operating in Australia that mysteriously over recent years have decided they are no longer going to provide full financial statements and instead have filed these special-purpose account exemptions. The bottom line is this: less disclosure means less tax paid. That is why this is done. Less disclosure means less tax paid.

There have been many companies who have engaged in this activity. One example is Ansett, which, before it collapsed in what Michael West describes as a 'smoking corporate ruin' in 2001, changed its accounting policy from general-purpose to special-purpose reporting. That tells you everything you need to know: a company is engaged in activities and is trying to hide from the public the state of its affairs. In the case of Ansett, it was because it was about to go under, but in the case of most multinational corporations it is because it allows them to pay less tax.

Interestingly, one of the few companies that has changed this is the British services company Serco. We know Serco operates immigration detention centres under government contracts, and it is the only company that has gone from special-purpose payments to general-purpose payments. Why did it do it? Because it was exposed in the public domain. It was exposed publicly, and it recognised that if it was to continue to have a social licence to operate it needed to engage in much more transparent activity.

The Labor Party has announced that it will support the bill. I congratulate them for that, but they criticise the legislation because they say it does not focus on debt loading as a tax avoidance mechanism. They have a policy to tighten thin-capitalisation rules which limit the amount of debt deductions that can be claimed to the ratio of Australian equity in each
company. Again, it is a small step forward, but that alone will not deal with this issue. It is not sufficient. We need a range of measures. But central to what is necessary is disclosure and transparency. The policy of tightening thin-capitalisation rules is going to be powerless against a company like Apple, because Apple buys its products at a price only a little bit below the retail price, so it has artificially small profits. That is the problem we have with that proposal.

The other thing it will not do is capture big mining companies that use Singapore marketing hubs so that sales are booked to businesses that are in their tax haven and not here in Australia. We also know that the general anti-avoidance provisions in our tax code are very, very difficult to prosecute. That would require the Australian Taxation Office to prove that a transaction was entered into for the dominant purpose of avoiding tax. So, it is about intent. How does the ATO prove, without spending millions of dollars, imports to prove intent? It is very difficult, and we know that in many instances the ATO's activities have been found wanting.

What the government has proposed is a small step forward. We will support it for that reason. We certainly will not get in the way of this reform. We think it has some merit but is only one small part of the response. We hope we will see support for our very common-sense amendments—amendments that go to the heart of the problem, that is, dealing with the issue of disclosure and transparency. Again, I urge the Labor Party to demonstrate that it is serious. I know Senator Dastyari has also focused his attention on this issue, describing this as 'name and shame' legislation. Well, if he is serious, if indeed the Labor Party is serious about disclosure and transparency, so-called name and shame, then, to show that it is not just a slogan and more hollow rhetoric, it will support both of these amendments. Likewise, I am sure Senator Xenophon will give these two amendments due consideration.

We must undo the sneaky legislation that was passed by the coalition during the last sitting fortnight. The transparency measures would have ensured that many companies have to disclose their business activities and that those private companies now need to make that information public. We hope that that amendment will be supported to ensure that global companies are not able to simply file a special purpose account that hides their business activities simply with the aim of reducing transparency and therefore minimising their tax.

In the end, these debates often appear to the community as dry economic debates, very removed from their daily lives. But this goes to the heart of the debate we are having in Australia right now about what decent tax reform looks like. Tax reform in Australia has to start with the issue of multinational tax avoidance before we go near something like the GST, because that is a basic question of fairness: why should multinational companies be able to avoid paying their fair share of tax when ordinary punters look like they will be slugged with an increased tax through the GST? I commend our amendments to the Senate.

Senator XENOPHON (South Australia) (17:28): Multinational tax avoidance and profit shifting have no place in Australia or the global economy. The Tax Laws Amendment (Combatting Multinational Tax Avoidance) Bill 2015 is an important first step towards combatting these unacceptable practices. The former Treasurer, the Honourable Joe Hockey, was instrumental in bringing about these much-needed reforms. He talked the talk and he actually walked the walk—

Senator Whish-Wilson: Next to the Australian Greens!
Senator XENOPHON: 'Next to the Australian Greens', Senator Whish-Wilson said. When he announced the government's intention to introduce this legislation, he said:

These 1,000 companies will need to consider the new rules if they have economic activities in Australia but book their Australian sales revenue offshore ...

With the introduction of this legislation, we are sending a clear message that Australia has no tolerance for tax avoiders. If you are avoiding tax, the Australian Taxation Office will catch you.

I commend the former Treasurer for the role he played in the development of this legislation. Australia is leading the way in combatting multinational tax avoidance, being the first of the OECD countries to do so.

I also want to commend not only my colleagues in the Australian Greens, who have long campaigned for this, but also Senator Sam Dastyari. In his former role of chairman of the Senate Economics References Committee, he played a pivotal role, with the energy that he put into this issue, in pushing for raising this issue and doing so with great energy. He raised the issue publicly. He raised public awareness with respect to the motion that was moved by former senator Christine Milne. Senator Dastyari seized this issue, grabbed it with both hands and ran very hard with it. I am grateful for his leadership in the Senate Economics References Committee in the way that he dealt with it.

We must acknowledge that these reforms have been the result of concerted efforts by a number of groups and individuals, including the Senate Economics References Committee, and the role that Senator Dastyari, former Senator Milne and others played in the committee in identifying the who, where and how of multinational tax avoidance.

The committee's corporate tax avoidance inquiry was established following the release of the Tax Justice Network Australia report entitled *Who pays for our common wealth?* This report made a number of highly concerning findings including that, overall, the effective tax rate of ASX 200 companies over the last decade is only 23 per cent. By the way, a lot of taxpayers on middle-level incomes would love to be paying a tax rate of 23 per cent. It also made a finding that if the largest Australian listed companies paid taxes at the statutory corporate tax rate of 30 per cent it would produce an additional $8.4 billion in annual revenues. The Tax Justice Network Australia report also found that among the ASX 200 companies nearly one-third have an average effective tax rate of 10 per cent or less, 57 per cent disclose subsidiaries in secrecy jurisdictions—that is, tax havens—and 60 per cent report debt to equity levels above 75 per cent, which may artificially reduce taxable profits.

The Senate Economics References Committee corporate tax avoidance inquiry shed light on the practices of some of Australia's biggest companies. A public hearing in Sydney on 8 April this year, with representatives from Google Australia, Microsoft, News Corp and Apple, was especially revealing. Mr Tony King, managing director of Apple for Australia and New Zealand, revealed that he had never been to Ireland for business purposes, despite the fact that Apple Ireland is Apple Australia's parent company. Not only that, but Apple Australia has transferred approximately $9 billion to Ireland, a tax haven. Based on the amount of money attributed to Apple Ireland's books, one would quite rightly think that Ireland was an essential hub for Apple, but apparently it is not.

Just as Senate inquiries have shed light on the shady world of corporate tax arrangements, so too have a number of journalists. I know that Senator Di Natale made reference to Michael West, who has been a fearless critic and has forensically looked at questionable corporate...
behaviour and subpar regulation in Australia. A central theme of Michael West's articles is transparency. Mr West says that it is only through increased transparency of the operations of large multinationals that we will be able to tackle tax avoidance.

This bill is an important first step on the long road to transparency. While I welcome the measures in this bill, I do not believe they will go far enough. That is why I will be moving an amendment in the committee stage of this debate that will require general purpose financial reports to be provided to the Commissioner of Taxation, which I trust will be an essential building block, a step, to having these reports made publicly available. This is not something that should be impossible to gather. It relates to companies with revenue of more than $1 billion globally. I think the Australian Greens' amendment says $500 million, but I have kept to the $1 billion figure based on the regime in this bill that looks at the $1 billion threshold. If you are big enough, whether you are an Australian-based company or a multinational, once you get to a $1 billion threshold there is no question that you would have the resources and the ability to provide general purpose accounts.

I will go into detail about my amendment shortly, but for now I will return to the provisions of the government's bill. This bill requires large multinational corporations to disclose to the Commissioner of Taxation important information about their operations—information relating to their business operations, their financial positions and their transfer-pricing policies. This is, in effect, information that can reveal whether or not these corporations are attempting to avoid paying taxes on profits made from their Australian operations. Senator Di Natale made a very good point that Apple—and I think he is using his Apple phone as I speak—

Senator Canavan: Not paying tax!

Senator XENOPHON: I am sure Senator Di Natale pays the appropriate rate of tax, Senator Canavan. I use an Apple phone as well, even though I have software problems with it at the moment. But the fact is that their pricing structure seems to be such that they are paying very little tax on their Australian operations, despite the fact that this is a very lucrative market.

Equipped with this information, the Australian Tax Office will be better able to detect instances of tax avoidance and profit shifting. Schedule 1 of the bill deals with defining and describing new concepts that will be included in the Income Tax Assessment Act. One of these new concepts is 'significant global entities'. These are entities that have an annual global income of $1 billion or more. A member of a group of entities that are taken together as a single group for accounting purposes will also be considered to be a significant global entity.

Let's be clear about the types of companies that will be captured by this concept. They are the juggernauts of the corporate world, the companies that are household names and that convince us to part with our money in exchange for their products. As the explanatory memorandum explains, approximately 1,000 entities will fall within the meaning of 'significant global entity' here in Australia.

Schedule 2 of the bill amends the anti-avoidance provisions in the Income Tax Assessment Act 1936 to introduce the multinational anti-avoidance law. The new multinational anti-avoidance law will ensure that multinational entities cannot use complex, artificial schemes to avoid paying Australian tax. It will ensure that companies who undertake significant work in
Australia in direct connection to Australian sales do not book that revenue offshore. These are important measures that form part of what we hope will eventually be a robust suite of policies targeting companies who avoid their Australian tax obligations.

Schedule 3 of this bill will double the penalties imposed on significant global entities that enter into tax avoidance or profit-sharing schemes. Of course, in an ideal world no additional revenue will be raised through imposing these penalties because large multinationals will be doing the right thing and not entering into tax avoidance schemes. Only time will tell if this will be the case, and that is why it is important to continuously and regularly monitor the effectiveness of this legislation in doing what it is intended to do.

Schedule 4 of the bill implements action 13 of the G20 and the Organisation for Economic Co-operation and Development's Action Plan on Base Erosion and Profit Shifting in Australian law. Action 13 relates to reporting requirements and will give the Commissioner of Taxation greater access to information relating to transfer pricing. Schedule 4 requires multinationals to provide master files, local files and country-by-country reports. The information provided in these reports will give the tax office a better understanding of multinationals' overall transfer-pricing policies and where their economic activity is taking place.

While I welcome these measures, I believe they do not go far enough. That is why I have circulated an amendment that requires significant global entities, those with global annual income of over $1 billion, to provide general purpose financial reports to the Commissioner of Taxation. General purpose financial reports provide highly detailed information about a company's operations—effectively the same level of information that a publicly listed company needs to provide to the Australian Stock Exchange. It is not onerous, it is not unreasonable, particularly in the case of a company which globally has $1 billion in revenue.

The Australian Accounting Standards Board issues the Statements of Accounting Concepts. General purpose reporting is defined in Statement of Accounting Concepts 2 as ‘a financial report intended to meet the information needs common to users who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs’. They differ from special purpose reports, which are scant on detail and have been the preferred reporting method by large multinationals for the past few years. I think it is a fair point that Senator Di Natale made—that there are a number of companies that shifted, inexplicably, from general purpose reports to special purpose reports. Michael West, from Fairfax Business, wrote in August this year:

There has been a trend in recent years away from "general purpose" reports towards the skimpy "special purpose" type. The former are full accounts that include related-party transactions (where most of the tax skulduggery occurs). The latter, "special purpose" accounts rely on directors and auditors assuming that only the company's shareholders—and nobody else—is interested or is a stakeholder.

By requiring large multinationals to prepare and submit general purpose reports, this amendment will improve the transparency of business operations and tax arrangements. So I do support the bill. But for me the elephant in the room is the tax transparency bill that was passed in our last session. I do not accept the proposition put by some that this was rushed or snuck through the parliament by the coalition. I think it was a series of unfortunate events. I should have been in the chamber. The speakers list collapsed. I am not blaming anyone for it. I was genuinely embarrassed that I was not in the chamber at the time. Whilst I spoke briefly
after that, to indicate my support, with reservations, about the bill, I do not think anyone tried to shut down the debate, it just happened. To quote Lemony Snicket, it was 'a series of unfortunate events'. It is a case where there was no conspiracy—certainly not on the part of the government or anyone else in this chamber. It just happened that other bills were dealt with more quickly than people expected and it got passed, without a division and without further debate, which is clearly unfortunate. I blame myself for that because I was not in the chamber when I should have been—and I am embarrassed about that.

I want to refer to an article by Heath Aston, a political reporter for Fairfax, which was published on 8 November, just two days ago. But before I do that I want to reiterate why I supported the government's Tax and Superannuation Laws Amendment (Better Targeting the Income Tax Transparency Laws) Bill. The argument that was put to me, which I accepted early on in the debate when this bill came up, was that, if you are a company with $100 million a year in revenue, you ought not to give the information required by the bill I supported previously which the Gillard government put up. The argument that was put to me privately by people in the food-processing sector is that, even if you are a fairly large food processor, providing this information could in some way compromise you and put you at a competitive disadvantage when dealing with, for instance, Coles and Woolworths, companies with a much larger turnover and much more market clout. I have always consistently been genuinely concerned about the market power of Coles and Woolworths, with their 75-plus per cent share of the grocery market in this country and the impact that has on the supply chain. That is why I supported the government's bill. But I am concerned that, since that time, more information has come to light that some of the arguments put by the government, which I do not accept—that there would be a risk of kidnapping if you release that information—were fatuous. There was no consideration given to this by the Australian Federal Police. It was a try on. It was an argument that did not make sense. But I still have a concern about that argument about the supply chain with respect to Coles and Woolworths.

It is worth putting on record Heath Aston's investigative piece headed 'The "institute" with no members embarrasses Senate committee'. I relied on advice. I relied on submissions made by the Family Office Institute Australia. As Heath Aston said, their submission formed large parts of a Senate report recommending that the government shield privately owned companies from increased transparency. It appears that the Family Office Institute Australia actually has no members. It appears that the institute was established in August by two lawyers and a Canberra lobbyist who represent some of Australia's wealthiest individuals with the Australian tax office. Now, there is nothing wrong with being extraordinarily wealthy and very successful—that is great. But I think it is fair to say that this was not a grassroots organisation; it does not represent hundreds, dozens or even a handful of family businesses; it appears to have no members. I am concerned that that was not clear. I am embarrassed that I was not aware of that—and I should have been. When a community group or organisation gives evidence before a committee, you generally expect that they are part of a larger grassroots movement or represent a number of businesses and are a genuine committee organisation. I cannot say that about the Family Office Institute. Heath Aston has done us all a service by exposing that, and it means that in dealing with organisations I have not previously heard of I will be much more wary in establishing their bona fides.
That process is something I am genuinely concerned about, and I should have checked it. And I think that Senator Whish-Wilson too, who opposed the government's legislation, was surprised by that organisation's lack of a genuine community basis, that it had no members. I should have been aware of it but I was not aware of it. And I said to Heath Aston that, at Senate inquiries, we normally hear from genuine grassroots organisations as a matter of course. What happened here seems to be what the Americans call 'astroturfing'. In fact, it looks like astroturf that has been through a drought.

I think that there is merit in what the Greens are putting up. I still have reservations about protecting those private companies that may have significant revenue of $100 million or more that are lower down in the food chain with respect to their dealings with the Coles and Woolworths. I am disappointed that I was not aware of the Family Office Institute's true nature. I am concerned that some of the arguments put by the government in terms of kidnapping were quite fatuous, but they were not arguments that I relied on. So I will consider this particular amendment in the course of the committee stage of this bill. I still have that reservation in terms of the Coles and Woolworths analogy in respect of the impact on those companies that may have a significant revenue but whose margins may be relatively low and are lower down in the food chain than Coles and Woolworths.

I do hope that we can get either my amendment or the Australian Greens amendment in terms of general purpose accounting passed in this place to go back to the other place. That will be a big step forward in transparency. Even if you were an Australian private company with a revenue of $1 billion a year or more, I do not think that that argument—the Coles Woolworths argument that you are a vulnerable large private company—would apply because, once you get to $1 billion in revenue, you are basically big enough and ugly enough to look after yourself.

With those comments, I support the bill. I give credit where it is due. The former Treasurer, the Hon. Joe Hockey, did some really good work on this, and he should be commended for that work. This will hopefully be a lasting legacy of his time as Treasurer—a very positive legacy. I hope that it works as intended. I will support it. I hope that the amendment that I put up or the Australian Greens amendment on general purpose accounting is put up. I will listen to the debate in terms of tax transparency—the other amendment put up by the Australian Greens—subject to the concerns I have had all along about those larger private companies being subject to predatory corporate behaviour by much bigger corporations.

Senator WHISH-WILSON (Tasmania) (17:47): I certainly look forward to addressing the issues that Senator Xenophon has raised when we get to the committee stage and consider the specific amendments to the Tax Laws Amendment (Combating Multinational Tax Avoidance) Bill 2015.

What we are dealing with here today is a significant matter of public interest. It has literally taken years of work by a very large alliance of people, stakeholder groups, to get us here. I remember being visited three years ago by Micah Australia, one of the groups, as well as the Oaktree Foundation and the Tax Justice Network Australia. We are talking about broad alliances of really interesting groups. There were also some church groups and social enterprises. There was a whole range of different organisations that came and, in a really non-political way, in a very gentle but very persuasive way, talked to all of us—I am sure it was all of us—about taking on multinational tax avoidance.
What we have here today is the first product in a pipeline from the hard work and efforts of significant coalitions of community organisations. It represents the whole idea of trying to reduce tax avoidance and even tax minimisation to make a fairer taxation system for everyone. It is a really big matter of public interest. While I accept that there may be valid reasons that people like Senator Xenophon have concerns around, for example, the Greens amendment because a few special interests—they may be valid—may potentially be negatively impacted. I think if you weigh that up against the public interest that we are dealing with here today, the decision is actually very simple. I like Senator Xenophon; I would not take away his commitment to the supermarket sector. I hope we get an effects test through or other policies—

Senator Xenophon: Good luck with that!

Senator WHISH-WILSON: There are lots of other ways to tackle that. Getting back to the legislation before us today, it is the first product in a pipeline in which we, as a parliament, are committing to try to tackle the issue of tax minimisation and tax avoidance head-on. Following that community lobbying—I would not even call it lobbying; I would say 'consultation'—where these people came to us and said, 'What can you do about this?' we had a very in-depth and long Senate inquiry, which one of my predecessors, Senator Milne, was actively involved in. It was her inquiry; she initiated it. Senator Dastyari has done a very good job as chair of that committee. All hats off to Sam; there is no doubt about that. He has been ruthless in pursuing large multinational corporations, as have Senator Milne and other members on the committee in terms of seeking the information that we need to try to gauge the extent of tax avoidance in this country. I do not think I would be underestimating it to say that we have all been quite troubled by the evidence that the committee has uncovered.

It is fair enough to pay credit to previous Treasurer Joe Hockey for bringing this amending legislation forward. But the political reality is that it has taken an extraordinary community campaign and a very lengthy Senate inquiry that uncovered a lot of contentious issues around this to get the government and the Treasurer to the point where we have some legislation.

This legislation, as has been said by a number of speakers, certainly is not perfect. It does not go anywhere near far enough to solve the problem, but then, like a lot of complex problems, we need a whole tool kit of solutions to address it. This is one that is certainly worthy of our consideration, and the Greens will be supporting the amending legislation that requires corporations with revenue of over $1 billion—we call them significant global entities—to make certain disclosures. They would be required to give statements to the Commissioner of Taxation regarding their global operations and activities, including how their income and activities are distributed across various countries. These are the kinds of things that are being talked about in the G20 and the OECD forums around information sharing on tax minimisation or tax avoidance by global corporations.

It is a good thing that we are starting to get disclosure at home and demanding that disclosure. That is because, as has also been said, with that disclosure comes the potential for significant reputational risk and reputational risk is an important factor for corporations when they consider their standing not just in the business community but in the broader community.

This bill will also give a limited ability to object to taxation rulings made by the Commissioner. Corporations will face a double administrative penalty if they are found to be avoiding Australian tax. Essentially, this bill will double the punitive measures that are in
place if corporations are found to be avoiding tax. We will also see that companies with this turnover will be brought under the general anti-avoidance rules, with the ATO commissioner able to consider foreign tax laws when determining whether they are reasonable alternatives to the tax scheme that they have entered into.

In theory, these rules look good. But what concerns me the most about this bill—and it has not really been talked about by any of the speakers that I have been in here listening to—is the huge cuts that the Australian Taxation Office and the workers at the Australian Taxation Office have incurred in recent years under this Liberal government. We have seen the axing of nearly 4,400 jobs at the Australian Taxation Office since the Abbott-Turnbull government has been in place. There is absolutely no doubt that those staffing cuts have hit the government's ability to police corporate tax avoidance; a quarter of those staff losses have come from the audit office, which actually does the work around tax avoidance and other kinds of shonky behaviour. The cuts embolden corporations who are looking to shrink the amount of money they pay to us.

The union representing the tax office, the CPSU, put in a submission to the Senate inquiry. Remember that these public servants cannot talk to us about this, but the unions can. The unions get around and talk to their members, and they can speak on their members’ behalf. Let me tell you: they have spoken on their members' behalf and they have been really quite blunt about the effect that these cuts have had on their workers. They have also talked about their concerns around tax avoidance and the information we have seen in the Senate committee. They commented:

Frontline officers fighting tax evasion tell us that transfer pricing, profit shifting—

And profit shifting is often associated with base erosion and transfer pricing—

and the use of multiple trust structures were amongst the most prevalent forms of tax avoidance. The cards are stacked against tax officers and in favour of those who seek to avoid paying their fair share. That is not the right way round. It's a rort that should end immediately.

That was from CPSU President Alistair Waters. It has been said:

One area of acute embarrassment for the government is that around a quarter of the ATO's redundancies have come out of the audit area…

Those people who have been made redundant have been let go by the tax office, but how does the tax office replace those skills, especially in a marketplace where the tax department is already bleeding some of its key specialists to the private sector? In Melbourne in the Senate Economics Committee, the evidence we heard on this from a previous high-ranking commissioner within the tax office, was that they lose their best talent to the private sector. Their best talent goes to work for big lawyers who deal on behalf of multinationals, and the tax office ends up taxing multinationals by settlement by negotiation, because the tax department does not have the resources or the expertise to take these companies on.

When we look at the legislation we see that, in relation to these companies, the commissioner has the ability to object to the taxation rulings and that he or she can double administrative penalties if these companies are avoiding tax, but you have to find that they have avoided tax in the first place. The evidence was overwhelming that that is really difficult to do. So the situation is quite appalling in this country: the evidence the Senate heard was that our tax office taxes by negotiation. These court cases are lengthy, they are expensive and they are dealing with very wealthy multinationals with very deep pockets and the best legal
guns for hire. Some of those legal guns used to work at the ATO and they know their stuff, and this is a significant issue. So if we want to invest in preventing tax minimisation and tax avoidance then we actually need to invest in the ATO. We need to actually have the resources in place to make sure that this legislation that we are looking at today actually works. So, in terms of cutting the ATO and staff at the ATO, we actually need to put those resources back in.

Let me give you a couple of other quotes. The CPSU president said:
Cutting the guts out of the agency that is responsible for bringing in much-needed revenue makes absolutely no sense at all. We are calling on the Government to restore funding in the upcoming Budget to ensure that Tax staff can do their job and provide the revenue that society needs to fund the ever-increasing demand for services. Demand for services continues to rise, while the number of staff goes down. It doesn't add up.
The CPSU submission to the Senate inquiry said:
CPSU members report that [the level of audit job cuts] has significantly impacted the ability of the ATO to investigate matters.
This is coming from members within the CPSU:
Quite simply, they report that fewer audits are being conducted (impacting negatively on revenue), and there is reluctance to review and/or audit larger and more complex entities.
Which is exactly the evidence we heard in the Senate inquiry in Melbourne, and that was in the formal submission that the unions made to the Senate inquiry. So we must deal with the ATO's resourcing as well as bringing in new legislation if we actually want the legislation to work.

In the seven minutes I have left and before I move on to address the amendments, let me just say that we know that the Labor Party had some other ideas about how to tackle the area of multinational tax avoidance with new thin capitalisation rules. These rules limit the amount of debt deductions that can be claimed against the ratio of Australian equity in each company. These are things that, from my previous life, I am very familiar with. Hopefully, through the G20 and the OECD, information sharing will happen on other issues around transfer pricing—or should I say 'mispricing' to be technically correct. That is where we see the allocation of income and expenses between operations and subsidiaries of operations to reduce tax. In the inquiry we heard some great examples of that around our mining companies and their Singapore, shall we say, 'marketing' or 'trading' operations. This where most of the profit is booked out of those operations and then the company claiming that is the appropriate place to book those profits. Guess what? Singapore has a much lower tax rate than Australia. These are the kinds complexities which the tax office has to grapple with when taking on some of the big potential corporate tax avoiders. The Senate recommendations are not out yet, but I think it is pretty clear that a large number of the companies that gave evidence have been, if not minimising tax legally, sailing very close to the wind of being tax avoiders.

The amendments that we are putting up today are simple. Obviously, $1 billion is a significant turnover for most corporations. The Australian Greens would like to deal with two things. We would like to deal with the issue that the journalist, Michael West—whose name has been mentioned several times so far in this second reading debate—has written an excellent article on, which is the fact that many global companies are shirking their disclosure obligations by becoming special purpose entities, which then allows them to reveal minimal
financial details. We do not want them to be able to do this—clearly. They have to have
greater disclose in their financial reports in the form of consolidated general purpose accounts
so that forensic accountants can have a decent look at whether they are paying tax and
whether it is all in line with the public interest. It also gives a better idea of profit-shifting. It
can give a better comparison of global rates. This is obviously a failure of ASIC, because they
approve these companies to become special purpose companies, which, once again, then
allows them to lower their reporting requirements. Disclosure is something we want to see,
but we want it to be on $500 million, not $1 billion. The argument that somehow $1 billion is
a magic number for this does not work for us. We would like to see it on $500 million.

In my last four minutes—and I will not spend too much time on this matter because we will
deal with it in committee—the Greens would like the opportunity today to regain what we lost
a few weeks ago. We had a confluence of events which led us to lose the fight over the tax
transparency bill—or what Michael West has dubbed the 'rich mates amendment bill’—which
was brought forward by this government to allow those corporations or individuals earning
over $100 million not to disclose some basic data. Once again, the same principle applies:
disclosure is very important, as is reputational risk. It is a good place to start. It is not going to
necessarily stop tax avoidance but it is a necessary measure, and this kind of legislation is
exactly what the alliance of community groups that I mentioned earlier have been asking for.
We do not want to encourage people to hide their tax from the public view. It is not to say that
these wealthy companies and individuals are hiding their taxes—it is not to say that at all—
but the best way to dissuade tax avoidance is to threaten reputational risk of prominent
companies and individuals, who cannot afford to have that paraded in public. If they are doing
nothing wrong at all, they will not mind their information being put out there in the form of a
disclosure.

So we will bring that measure back, and then at least we can have the discussion which we
failed to have because the speaking list collapsed. Several of us, including me because I was
in the chair, did not get to debate that bill and, of course, we did not get to vote on it either.
We believe that was a missed opportunity. It was something the public wanted to see. The
legislation did cause a huge outcry when it was passed. A number of people were quite
surprised that it was supported by those on the crossbenches. Something that I will deal with
when we get to the committee stage is the idea that we were 'astro-turfed' by a front company.
As I described it to the media, we were 'hijacked' by special interests. This is a significant
matter of public interest. That we were hijacked by the special interests of a front group was
embarrassing. It was frustrating, and I was angry when I found out about it. I was not on the
Senate inquiry when this group appeared. Nevertheless, as a senator, I think we all have to
take a collective responsibility for being duped. We could have easily asked questions or done
some research on what this organisation was and who it represented. In my opinion, this
would have no doubt had a bearing on the senators and their vote in this chamber. I hope
tonight that they reconsider their position, reconsider this legislation and bring it back and
pass it into law.

We know that the effect of special interests is alive and well in this parliament. We all deal
with it from day-to-day, but this is a particularly acute and, I think, disturbing example of how
those with the resources and the ability to bring together specialists can lobby and influence
outcomes. I am certainly going to be a lot more careful in future and find out a lot more
information about witnesses right across the board that we confront in inquiries. I was quite happy to admit on the public record that I felt like we had egg on our faces and that we needed to clean that off. Actually, tonight is when we should clean that off. We should bring that legislation back in the form of an amendment. I would expect the support from those senators whom I have spoken to who were also embarrassed and angered about that revelation.

May I put on the record what I think is a very good piece of investigative journalism by Heath Aston from Fairfax. We do not often see that kind of investigative journalism as much these days; it is really important information that the Senate can now incorporate into its decisions and votes. I would urge all senators to support the Greens' amendment, which brings back that legislation and gives us a chance to debate it in committee and pass it into law. That is exactly what the Australian public want to see; they want to see us take a strong approach to tax avoidance.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (18:07): Firstly, I would like to thank all those senators who have contributed to this debate. The government welcomes the report from the Senate Economics Legislation Committee into this bill, as we welcome the Senate Economics References Committee's interim report. We thank all those senators for their hard work in examining the issue of corporate tax avoidance.

The key theme of the interim report is the need for more transparency in the tax affairs of multinationals. The government, of course, recognises that transparency is a powerful tool against corporate tax avoidance, which is why in the 2015-16 budget the government announced the development of the code for the voluntary disclosure of tax information by large corporates. The Board of Taxation is leading this work. If there is a need for more public disclosure or reporting to the ATO, the government will act. However, the committee’s interim report fails to recognise the strong action that this government has already taken to combat multinational tax avoidance.

The government is focusing on areas where there is the most potential to tackle tax avoidance. Last year we took action to tighten Australia's thin-capitalisation rules, to limit the scope for multinationals to claim excessive debt deductions. This bill will implement the government's 2015-16 budget measures to combat multinational tax avoidance. These measures will force multinational companies with significant activities in Australia to pay their fair share of tax, and it will level the playing field for all taxpayers. The new multinational anti-avoidance law will ensure the Commissioner of Taxation can force multinationals that have significant activities in Australia to pay tax on profits from economic activities undertaken here in Australia.

The multinationals will no longer be able to justify using contrived schemes to avoid paying tax. This rule will strengthen our anti-avoidance rules by multinationals by catching arrangements that are designed to obtain both Australian and foreign tax benefits to stop companies claiming that they are only seeking to avoid foreign tax and will also seek to strengthen these arrangements by lowering the purpose test from a sole or dominant purpose to that of one of principal purposes and making it easier to apply. Instead of having a sole or dominant purpose, we will now apply one of the principal purposes test.
Where a scheme is captured, the Commissioner of Taxation will be able to look through the contrived scheme and apply the tax rules as if the multinational had booked the profit from Australian sales here in Australia. The Commissioner of Taxation will be able to see through the contrived scheme effectively and apply the law as if the contrived scheme had not been put in place. This means that they will pay tax on profits from their Australian activities. Penalties for large companies that enter into tax avoidance or profit shifting schemes will be doubled from 1 July 2015 and country-by-country reporting will require large multinationals to report additional information to the ATO. This is a significant improvement in transparency and will help the ATO undertake targeted assessments of transfer-pricing risk.

The Senate Economics Legislation Committee's report into this bill recommends a post-implementation review into the measures of the bill after three years. The government is, of course, constantly reviewing our tax laws. The ATO is also well placed to monitor the effectiveness of these laws, and companies have already approached the ATO to consider their company's structures as a result of these impending laws.

The government is taking a strong and balanced approach to dealing with multinational tax avoidance and we are closing the digital tax loophole to ensure the goods and services tax applies to digital products and services which are downloaded in Australia. As G20 president in 2014, Australia led the global response to tax avoidance by multinational companies. We recognise that there is more work to be done to combat tax avoidance. The OECD's final recommendations in its Action Plan on Base Erosion and Profit Shifting will go to the G20 leaders' summit next week and this will provide a strong platform for further action on tax avoidance by multinational companies as part of a concerted and coordinated international effort. We will continue to take the lead in the OECD and G20 to restore fairness in the international tax system and to ensure entities pay tax where they have earned their profits. I commend this bill to the Senate.

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

Question agreed to.

Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

Senator WHISH-WILSON (Tasmania) (18:13): I would like to speak to the two Greens amendments before the Senate tonight. The second amendment is schedule 1 before item 5; the third amendment is at the end of the bill in clause 2 and that is the better targeting tax transparency. The first one is around consolidated accounts.

I understand that Senator Xenophon has an amendment that is very similar to our amendment on consolidated accounts. It is clear from the second reading speeches that the philosophy and the policy intents are very similar, but the difference is that we would like to have a threshold of $500 million to bring this in. From my understanding, I do not think it is so difficult for the government to enact this legislation. If the amendment gets up, and I certainly hope that it does, it is a very reasonable way to increase exposure and disclosure, as I said before, by looking at the loopholes.

I would call the special purpose entities and the special purpose accounts that they use a loophole. They apply to ASIC. As we heard in quite a bit of evidence in the Senate
committee, they do not have the highest levels of disclosure. In fact, they have very low levels of disclosure. We heard of a lot of examples where this has been used. It quite shocked those on the committee that some very big companies were not disclosing tax at all. I remember being there when Greg Medcraft and ASIC were asked directly about this at estimates as well on numerous occasions.

It is up to us here to propose that this loophole—I will call it a loophole—be closed. No doubt it was put in place originally to lower requirements for corporations. I am trying to think of some of the reasons that it might have been allowed. No doubt we—we being the collective parliament—were lobbied, or someone in government was lobbied about red tape, equality, comparisons with other tax jurisdictions, because these kind of things might put off investors in this country. I would be quite happy for the minister to explain, if he could, why these special purpose entities and special purpose accounts were set up in the first place.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (18:16): I thank Senator Whish-Wilson for his contribution. The government does not support this amendment or the amendment circulated by Senator Xenophon. This is not a loophole. Imposing a requirement that an entity must prepare general purpose accounts would be, in our judgement, an excessive compliance burden, because much of this information would be utterly irrelevant for tax compliance purposes.

The commissioner already collects a significant amount of information that relates to taxpayers on the tax return form. To the extent that more information would be helpful for the commissioner to independently administer the tax law: he already has very broad powers to require this to be produced and he can obtain that information. The commissioner already has sufficient and significant powers under his general information gathering powers. The commissioner can already require further information to be included on the income tax return to the extent that it is useful for tax compliance purposes.

The key difference between the general purpose accounts and the special purpose accounts is that additional information on related party transactions is provided. This information is already available to the commissioner, as it is disclosed in the international dealings schedule attached to the income tax return. Let me just say that again very slowly: this information is already available to the tax commissioner as it is disclosed in the international dealings schedule attached to the income tax return.

The proposed country-by-country reporting standards already provide detailed information to the tax office on international profit-shifting. Nothing further would be gained by requiring an entity to prepare another set of general purpose accounts. General accounts would only reveal Australian entity information, so what you are proposing does not go as far as what is already in train. The draft country-by-country rules go further and require accounting information from all the entities in a multinational group. The country-by-country legislation is already best practice and consistent with OECD best practice for mandatory transfer pricing information to be provided to the tax office.

The OECD debated whether to make country-by-country transfer information public. It was determined that this should not be made public. Doing this for tax purposes would go beyond best practice and, as such, the government is not going to support this proposal by the Greens and Senator Xenophon.
Senator XENOPHON (South Australia) (18:18): In relation to the general discussion about this bill and the amendments and the contribution made by Senator Whish-Wilson, does Minister Cormann agree that general purpose financial reports provide more information? I have in front of me the Statement of Accounting Concepts SAC 2: Objective of general purpose financial reporting, which is prepared by the Public Sector Accounting Standards Board of the Australian Accounting Research Foundation and by the Accounting Standards Review Board. The statement defines a 'general purpose financial report' as:

... a financial report intended to meet the information needs common to users who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs;

In contrast, special purpose accounts reporting is much more constrained. It gives next to no information about a company. It may just give their revenue for the year. It gives a paucity of information. General purpose accounts are not onerous. They are equivalent to the information that a publicly listed company provides to the ASX.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (18:20): What I can say to Senator Xenophon is that the government does not agree to the imposition of additional red tape which imposes additional costs without delivering an additional benefit.

The global expert, when it comes to the appropriate policy frameworks and standards for taking effective action against multinational tax avoidance, is the OECD. Indeed, a former Labor Assistant Treasurer, David Bradbury, the former member for Lindsay, works in that part of the OECD these days, reporting to Pascal Saint-Amans. What this government is doing is following international best practice as set out by the OECD.

This exact point that Senator Whish-Wilson and Senator Xenophon are putting on the table was carefully considered by the OECD. The OECD, in our view for good reasons, made a judgement that it would not be appropriate or consistent with best practice to require the publication of this sort of information. As I said in my response to Senator Whish-Wilson, this does not provide additional information for tax compliance purposes that the tax commissioner cannot already get or does not already obtain through the income tax return or the associated schedules. This is essentially just imposing an additional compliance burden and an additional cost for the sake of it. Australia has to watch its international competitiveness. We should not just willy-nilly impose additional costs on business for the sake of it when it does not add value, and we certainly should not be doing it outside the well-considered framework of international best practice as laid out by the OECD. For these reasons the government will not be supporting either Senator Whish-Wilson's or Senator Xenophon's amendment.

Senator WHISH-WILSON (Tasmania) (18:22): Can the minister explain why big companies like Glencore, with $35 billion worth of assets, apply for special purpose accounting, and does the minister accept that there is a role for forensic accounting and a public interest in having these accounts available? I understand you can go to where these corporations are domiciled or registered and the accounts have to be released, but why do they apply through subsidiaries in other countries to have minimal disclosure in their accounts?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (18:23): I am not going to discuss the individual tax affairs of individual taxpayers—that would not be appropriate. Senator Whish-Wilson talks about
forensic accounting and asks whether I support that. I support the system that we have in Australia where the tax commissioner independently administers and enforces compliance with our tax laws. I think that that independence is very important indeed if people are to have confidence in the integrity of our system. I do not think we want to politicise the administration of our tax laws, and I think the tax commissioner ought to have the powers—that he needs to ensure that those businesses generating profits in Australia, including multinational businesses, pay their fair share of tax here in Australia consistent with our laws.

Of course the bill that is in front of us is a significant step forward because it will give the tax commissioner additional powers. It will enable the tax commissioner to see through any contrived arrangements where a multinational company is seeking to avoid paying tax consistent with our laws here in Australia by taking advantage of those contrived arrangements. The Senate should support this bill unamended. We should not go down a path which all of the international experts have considered carefully and said is not the right way to go.

Senator XENOPHON (South Australia) (18:24): If we can go back to the question I put to the minister a few minutes ago, in terms of general purpose financial reporting, the information provided—what is proposed in my amendment and in the amendment to be moved by the Australian Greens—is effectively the sort of information that you would see in a publicly listed company in this country. In other words, the first direct question to the finance minister is that what is being requested here is no more and no less, effectively, than what public companies have to provide to the ASX. With my proposed amendment, if you are part of a company that has $1 billion a year revenue, then that will be not be onerous. My second question is that the minister says the information is already provided to the Australian Taxation Office—that is my understanding of how he responded to a question from the Senator Whish-Wilson—so how can it be an additional cost of compliance to file it with ASIC, for instance, or for it to be made publicly available?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (18:26): This is a tax integrity bill. What we are focusing on here is making sure that the tax commissioner has the powers that he needs to enforce compliance with our tax laws. What I said very clearly in response to Senator Whish-Wilson was that a requirement that an entity must prepare general-purpose accounts would be an excessive compliance burden because much of this information would be utterly irrelevant for tax compliance purposes and all of the information that is relevant for tax compliance purposes can already be obtained by the tax commissioner.

Senator WHISH-WILSON (Tasmania) (18:27): Minister, you keep talking about the tax commissioner having the powers they need—putting aside whether they have the resources. Isn't the issue not necessarily that they have the powers to chase corporations who might be minimising or avoiding their tax but detection in the first place? Isn't it about having the information available? Especially for an office that is under pressure and that has lost so many of its staff over the years, isn't the issue that this information is available to the public and for forensic accounting, and it would actually be reverse red tape—it would give all of us the information we need. There is a really good forensic accountant in Tasmania who does just about everyone's work for them on a volunteer basis, not to mention the ones within
professional organisations. This would open it up so that we could all help deal with this problem.

The problem, as I highlighted in my speech on the second reading, and which was very obvious in the Senate inquiry, is that the tax office has been shredded by the minister’s government—4,400 jobs have been cut from the tax office, and the minister is here tonight telling us that all the commission needs is powers. Fine if the commissioner gets those powers when they need them, but you have to detect the avoidance in the first place. You have to have the resources and the ability to detect things before you can prosecute a case or hold these corporations to account if they are avoiding tax. This is about having the information available so that detection can occur, and that is what this amendment is about. I would have thought it was a no-brainer.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (18:29): Firstly, I completely reject the assertions that Senator Whish-Wilson made about a shredded tax office and the tax office being under pressure. It is true that the previous Labor government imposed an efficiency dividend on the tax office which led to a reduction of about 3,500 ASL positions. It was quite appropriate for the previous Labor government to do that because in the 21st century, in 2015, the administration of our tax laws is not the same as it was 20 or 30 years ago. It is not paper based in the same way. There are more sophisticated compliance mechanisms and tools available these days. Of course, the tax office will continue to be at the global leading edge when it comes to pursuing, implementing and administering our tax laws in a modern and efficient way—and they are doing a great job.

Specifically in relation to international tax avoidance, the government has provided an additional $87.6 million to the ATO over three years to investigate international tax avoidance. To date, the program has raised over $400 million in tax liabilities, and it is estimated to raise about $1.1 billion in total. This suggestion that we are not resourcing the tax office appropriately is wrong. Even if Senator Whish-Wilson’s assertion were right, it does not link at all with his final sentence in support of his amendment, because, as I have indicated before, his amendment and Senator Xenophon’s amendment do not add anything when it comes to providing information to the tax office, because the information required for tax compliance purposes is already available and within reach of the tax commissioner.

Senator XENOPHON (South Australia) (18:31): I can agree to disagree with the finance minister in relation to this. I think the best thing to do now is to move the amendment standing in my name. I move amendment (1) on sheet 7789:

(1) Schedule 1, page 7 (before line 10), before item 5, insert:

4A After section 3C

Insert:

3D Reporting of information about significant global entities

1 This section applies to a corporate tax entity for an income year if the entity is a significant global entity (within the meaning of the Income Tax Assessment Act 1997) for the income year.

2 The entity must, as soon as practicable after the end of the income year, give the Commissioner a general purpose financial report for the income year.
(3) For the purposes of this section, a general purpose financial report must be prepared and audited in relation to the entity in accordance with:

(a) accounting principles and auditing principles; or

(b) if such principles do not apply—commercially accepted principles, relating to accounting and auditing, that ensure the statements give a true and fair view of the financial position and performance of that entity (or that entity and the other entities on a consolidated basis).

An expression used in this subsection that is also used in the *Income Tax Assessment Act 1997* has the same meaning as in that Act.

(4) The Commissioner must give a copy of the report to the Australian Securities and Investments Commission.

I have spoken about this amendment in the context of the second reading contribution. This relates to the reporting of information about significant global entities. It applies to a corporate tax entity for an income year if the entity is a significant global entity—that is, an entity that has revenue of $1 billion a year or more in terms of its global operations. It would also apply to an Australian based company if it has that revenue of $1 billion a year or more, and it mirrors the definitional framework in the government's own bill in this regard. If a company is an Australian based company and has a revenue of $1 billion a year or more, then it ought to be big enough and ugly enough to provide these accounts.

I do not buy the arguments that I reluctantly accepted that relate to companies of $100 million or more in terms of being part of a supply chain arrangement with Coles or Woolworths. Once you get to $1 billion, there cannot be any question of the ability to provide general purpose accounts rather than special purpose financial reports, which are scant in their detail. This would apply to companies such as Apple, Microsoft and Google. These companies ought to be able to provide general purpose accounts to the same level of detail that a publicly listed company, which may be much smaller, would give to the Australian Securities Exchange. They would be readily available information. That is why I commend this amendment. I know the Australian Greens have a similar amendment, but its threshold is lower at $500 million.

**Senator DASTYARI** (New South Wales) (18:33): Labor will be supporting the amendment that has been circulated in the name of Senator Xenophon. We believe that the measure and this idea about greater disclosure does have an important role in making sure there is greater tax transparency and in resulting in better tax outcomes. I note that there is a similar amendment from the Australian Greens party. We believe that the threshold of $1 billion being proposed in the amendment by the Senator Xenophon is a reasonable amount and a reasonable threshold.

A lot has already been said in this chamber tonight about a special purpose approach by accountants and large firms. I do not believe too much more needs to be added to that. But it is worth noting that this is a tactic that is increasingly employed by large firms so they are able to structure themselves in such a way as to minimise their disclosure obligations. I think this is an important loophole that can actually be closed by going through this process. I also want to commend and acknowledge the work that journalist Michael West—whom others have made reference to tonight—has done in this space in highlighting this.

As I have said in this chamber before, we should not kid ourselves that global multinational tax minimisation is a cat-and-mouse game. It is the responsibility of parliaments like this
parliament to create new rules to close loopholes. Of course, from time to time we have to be prepared to revisit laws and ideas and come up with new approaches. Again, I think this improves what is already a good bill, a bill that warrants the support of this Senate. I think this is just another addition and another measure that is worthy of that support. The Australian Labor Party will be supporting it tonight.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (18:35): Given that Labor have now declared their position in relation to this amendment, let me just place on the record that Labor, tonight, are helping to delay effective action against multinational tax avoidance. If this amendment gets up, what it will mean is that this very important piece of legislation which will give the tax commissioner significant additional powers to fight multinational tax avoidance consistent with international best practice will not pass the parliament and will have to come back to the Senate down the track. If this amendment gets up, it means that the Labor Party has put themselves on the side of multinational tax dodgers.

Senator Dastyari: You are the ones who won't support your own bill when it gets improved!

The CHAIRMAN: Order, Senator Dastyari!

Senator CORMANN: After all of his carry-on for the last year, all of the showmanship and all of the jack-in-the-box type of up and down, Senator Dastyari is tonight siding with multinational tax dodgers.

Senator Dastyari: What a disgrace, Senator Cormann! What a cop-out!

The CHAIRMAN: Senator Dastyari, cease interjecting!

Senator CORMANN: That is what Senator Dastyari has flagged. This is where he has put the Labor Party, because, presumably, I am sure that this is not a decision that was made by the leader of the Labor Party. I am sure that this is another Senator Dastyari special.

Senator Dastyari: I wish I had that power, Senator Cormann.

Senator CORMANN: Here is the Labor Party trying to impose an additional bit of red tape which makes not one iota of difference when it comes to fighting multinational tax avoidance. They are putting at risk the efficient and speedy passage of legislation that does make a difference.

Senator Dastyari: The only risk is you!

The CHAIRMAN: Order! We are in committee. Senators have multiple opportunities to contribute to the debate, and they should do so when they have the call and not via interjecting. Minister, you have the call.

Senator CORMANN: Tonight, Labor, led by Senator Dastyari, have put themselves on the side of multinational tax dodgers by working hard to delay the passage of legislation which will help the government and help the tax commissioner more effectively fight multinational tax avoidance by giving him the powers he needs—I am just putting that on the record. So the Senate might want to reflect on that as we consider a vote on this amendment and on the Greens amendment in relation to this bill.

Senator DASTYARI (New South Wales) (18:38): What an extraordinary display from the minister. The notion that simply supporting measures that improve the legislation and
create greater transparency will put at risk a giant multinational tax avoidance bill by this
government is a demonstration of what a cop-out position this government is intending to
take. Let's be very clear. If this amendment is supported by the Senate, the Senate tonight can,
should and, I suspect, will support the bill as a whole. If the government chooses not to
support its own legislation because steps have been taken to improve it, that will highlight—it
will put in neon lights—what a cop-out, pathetic, weak, embarrassing position this
government is prepared to take.

This amendment by Senator Xenophon will improve the bill. It deserves support. We have
said from the start that we do not believe this bill is perfect. In many areas we do not believe
it goes far enough, but it is a good set of measures. It is a disgrace, a disappointment and a
cop-out that the government is trying to hold to ransom the political parties and Australian
taxpayers by these kinds of tactics. Senator Xenophon should be commended on an
amendment that will improve this bill. I know the Australian Greens plan to move a similar
amendment with a lower threshold. Those of us on the Labor side of politics believe that $1
billion is a better threshold than $500 million, but, to be honest, they are very similar
amendments—the $1 billion threshold is a just a judgement call that has been made on our
side of politics. If the government is prepared to not support its own legislation because it has
been amended to include measures to improve transparency—wow—that would say a lot
about this government.

Senator WHISH-WILSON (Tasmania) (18:40): It is a bit like groundhog day in here,
and Senator Cormann is Punxsutawney Phil. I have been here before with you, Senator
Cormann—when we moved to extend unfair contract term provisions to small business, you
stood up and said the same thing in the Senate. You threatened us and said, if our amendment
got through, the whole bill would collapse and, therefore, we would have it on our
consciences that we had turned down a perfectly good bill for small business. In the end, we
went through with it, we got our amendment up, it went back to the House, they accepted the
amendment and we have much better legislation. Our job as senators here in the Senate is to
improve legislation and to debate these issues. To stand up, threaten us and say we are on the
side of multinational corporations is, quite frankly, immature. We have had a good level of
debate tonight. We have all been very reasonable and very measured in what we have said.

I want to make a point that is really obvious to me. The whole reason this thing has come
into the public domain—the whole reason, as I said in my speech to the second reading
debate, that this bill has even come to us and we are here tonight debating it—is that there has
been sunlight shone on this subject, especially recently by journalists. The consequent public
concern is a matter of significant interest. The ATO have been sitting on these special-
purpose accounts, and what have we seen from them in the past around multinational tax
avoidance? The efforts that they have taken recently started around the Senate inquiry, this
developing public interest and the fact that the media is out there doing the investigative
journalism and exposing these kinds of things.

To say that a requirement for general purpose accounting is going to be counterproductive
and that we are on the side of multinational tax avoiders is actually a pretty stupid thing to
say, with all due respect. We are trying to improve the legislation. We have a good idea. Let's
not be combative and divisive in the politics around this. If you do not want to accept the
amendment tonight and it is passed, take it away and have a good look at it. You will see that
it makes common sense and that it is not a red-tape issue. This is about having information—with information, we can make good decisions. As the Productivity Commission always says, transparency should be in our genes.

The Greens will be supporting Senator Xenophon's amendment, but that will not stop us moving our amendment as well, because we believe this kind of accounting should apply to entities at a much lower threshold than $1 billion.

Senator XENOPHON (South Australia) (18:43): I just want to acknowledge that Senator Cormann is one of the smartest people in this place. He is highly capable, is highly competent and has a lot of integrity—which is why I am shocked that he put up that argument. It is a very weak argument. It is a farcical argument. To suggest that anyone who supports this amendment—the Labor Party or, indeed, by extension, I as the mover of this amendment or the Australian Greens—is somehow siding with multinational tax avoiders is completely offensive and repugnant. Let us put this in perspective. The only way that this amendment will slow down this bill is if the federal government is not fair dinkum about tackling multinational tax avoiders. I know that the former Treasurer, Joe Hockey, was. I took him on his word. He talked the talk and walked the walk by introducing this bill. To suggest that supporting this very straightforward measure is somehow siding with multinational tax avoiders makes no sense whatsoever.

So, for the people out there who are listening on the parliamentary news network or on news radio, it is completely farcical—what the finance minister has said.

Let us put this in perspective. Let us recap. What I am suggesting with this amendment, which mirrors the Australian Greens’ amendment, which has been supported by the Australian Labor Party, is that if you are a company that has a global revenue of a billion dollars a year or more then it is not unreasonable to request that that company provide what is known as general purpose financial reporting, set out under Australian accounting standards and public sector accounting standards. It will require, in essential terms, the same level of information that a publicly listed company in this nation has to provide to the ASX and to ASIC. What it will require is a measure of transparency for those companies, already provided by much smaller public companies in this nation which may have a fraction of the revenue of a billion dollars a year but which are able to provide this information quite readily. It will provide a whole range of information, including transfer pricing. It will provide all sorts of information, including the intricate, labyrinthine arrangements that some of these companies are involved in. So all I am asking with this amendment is to have a similar measure of transparency as that already required of publicly listed companies. And what is the threshold? A company with revenue of $1 billion a year or more, whether in Australia or globally. To suggest that those companies somehow are going to find that onerous—I do not think there is a violin in the world small enough to play to say that that argument has any validity! That is what I am saying. Again, I say it with genuine respect for the capacity and the intellect of the finance minister. But this argument does not wash. It is an absolute furphy. And I would urge my colleagues to support this amendment.

The CHAIRMAN: The question is that amendment (1) on sheet 7789 moved by Senator Xenophon be agreed to.
The committee divided. [18:51]
(The Chairman—Senator Marshall)

Ayes .................34
Noes .................27
Majority .............7

AYES

Brown, CL
Cameron, DN
Conroy, SM
Di Natale, R
Gallagher, KR
Ketter, CR
Lazarus, GP
Ludwig, JW
Marshall, GM
McKim, NJ
Muir, R
Peris, N
Rhiannon, L
Siewert, R
Singh, LM
Urquhart, AE (teller)
Whish-Wilson, PS

Bullock, JW
Carr, KJ
Dastyari, S
Gallacher, AM
Hanson-Young, SC
Lambie, J
Lines, S
Madigan, JJ
McAllister, J
Moore, CM
O'Neil, DM
Polley, H
Rice, J
Simms, RA
Sterle, G
Waters, LJ
Xenophon, N

NOES

Abetz, E
Bernardi, C
Bushby, DC
Cash, MC
Day, RJ
Fawcett, DJ (teller)
Fifield, MP
Leyonhjelm, DE
McGrath, J
Parry, S
Ronaldson, M
Ryan, SM
Seselja, Z
Williams, JR

Back, CJ
Birmingham, SJ
Canavan, MJ
Cormann, M
Edwards, S
Fierravanti-Wells, C
Johnston, D
Lindgren, JM
McKenzie, B
Reynolds, L
Ruston, A
Scullion, NG
Wang, Z

PAIRS

Bilyk, CL
Collins, JMA
Ludlam, S
McEwen, A
McLucas, J
Wong, P

O'Sullivan, B
Smith, D
Brandis, GH
Nash, F
Colbeck, R
Payne, MA

Question agreed to.
Senator WHISH-WILSON (Tasmania) (18:54): Having listened to the evidence, with the view that we may not have support for our amendment—but we did support Senator Xenophon’s amendment—I now move Greens amendment (2) on sheet 7787:

(2) Schedule 1, page 7 (before line 10), before item 5, insert:

4A After section 3C

Insert:

3D Consolidation of accounts for entities with total global revenue of $500 million or more

(1) This section applies to an entity for an income year if the entity has total global revenue equal to or exceeding $500 million:

(a) if the entity is a member of a group of entities that are consolidated for accounting purposes as a single group—as shown in financial statements prepared and audited in relation to all members of the group; or

(b) otherwise—as shown in financial statements prepared and audited in relation to that entity.

(2) The entity must, as soon as practicable after the end of the income year give the Commissioner general purpose financial statements for the income year for:

(a) if paragraph (1)(a) applies—the group of entities consolidated as a single group; or

(b) if paragraph (1)(b) applies—the entity.

(3) For the purposes of this section, financial statements and general purpose financial statements must be prepared and audited in relation to the entity in accordance with:

(a) accounting principles and auditing principles; or

(b) if such principles do not apply—commercially accepted principles, relating to accounting and auditing, that ensure the statements give a true and fair view of the financial position and performance of that entity (or that entity and the other entities on a consolidated basis).

(4) The Commissioner must give a copy of the general purpose financial statements to the Australian Securities and Investments Commission.

5 In this section:

accounting principles has the same meaning as in the Income Tax Assessment Act 1997.

auditing principles has the same meaning as in the Income Tax Assessment Act 1997.

Senator DASTYARI (New South Wales) (18:55): Labor will not be supporting this amendment. I note that we did support a very similar amendment in the name of Senator Xenophon moments earlier. The only real material difference appears to be a threshold of either $1 billion or a $500 million threshold. Labor feels that the $1 billion threshold is a more reasonable one than the $500 million one, but we note just how similar these two amendments are.

The CHAIRMAN: The question is that amendment (2) on sheet 7787 be agreed to.

Question negatived.

Senator WHISH-WILSON (Tasmania) (18:56): Before I move amendment (3), which concerns better targeting tax transparency, I think we need to be very clear about some of the information and some of the reasons why some senators in the chamber may not support this Greens amendment. In our speeches on the second reading we have already gone through the fact that when this legislation came previously the speaking list collapsed for various reasons,
it did not go to a division, we did not have adequate debate, and a number of stakeholders were quite disappointed.

We are glad that tonight we have had a chance to debate the issues around this, not just because we missed out before, but, because we had new information that came to light. That information was basically that we had been 'astroturfed' by a front organisation that appeared during the committee process, and senators themselves have admitted it had an impact on their decision when we voted on the last piece of legislation.

As Heath Aston described in an article recently, astroturfing in American politics is:

... the use of artificial grassroots to create an impression of widespread support for a particular political agenda.

Astroturfing can take many shapes but at its most basic the process enables already powerful interests to 'counter-mobilise against regulation' ...

As one example. We think we have seen a very clear example of that. Here is an opportunity for senators to take some new information into account in relation to how they vote on these laws tonight.

These laws are different because they relate to a $100 million threshold for businesses and for individuals. Once again, the principle is very simple. It is that same as we discussed earlier in relation to the legislation around a $1 billion limit. It is all about transparency and it is about disclosure.

Senator Xenophon has been very open about his concerns. He has spoken to a couple of businesses that are concerned about their competitive position. They compete against Coles and Woolworths, the duopoly. There is no doubt that Senator Xenophon has done an enormous amount of work trying to help small and bigger businesses, but I would not say that $100 million is a small business—in fact it is an enormous business. I understand also that Senator Muir has spoken to some car component manufacturing companies that have lobbied him about not wanting to see these disclosure laws, because of competitive pressures. Let me say that for $38 a competitor can go to ASIC and get the same information. So, in the competitive dynamic world that we all know these businesses compete in, the information is available anyway. All this does is make it compulsory to put that information up on a register, so if someone wants to find your data and your information they can get it by applying to ASIC.

The argument is that, somehow, a couple of special interests, and I am guessing that it is only a few, could railroad this amendment tonight on the back of some legislation that is significantly in the public interest. Whether we are dealing with a front group that is astroturfing on behalf of some wealthy individuals, or whether it is a couple of businesses with genuine concerns around their competitive positions, we as senators need to weigh up their special interests against the public interest. This is that public interest measure, and the coalition—whether it is the Tax Justice Network or the other groups that have brought this to our attention—is very broad. I do not think that there is a single Australian out there, apart from the ones who are worth more than $100 million, who would oppose this legislation tonight if you actually put it to them in a sensible and balanced manner.

Senator Canavan interjecting—
Senator WHISH-WILSON: Maybe some Tories would possibly, Senator Canavan, even if they were aspiring to be worth $100 million. Perhaps you are right. I forgot about the aspirationally wealthy in this country. The idea is that most of them would probably be good, honest, hardworking people, even if they are wealthy, and should not have an issue with having their tax disclosure in the public realm. I would ask senators to consider this. Senator Xenophon, I ask you to consider your position. This is a matter of significant public interest, and I do not think that we should let this legislation go down tonight because of the interests of a couple of corporations, no matter how well meaning. This is an opportunity for us to continue strengthening laws around disclosure and around potential tax minimisation and tax avoidance, and I urge the Senate to support the Greens amendment tonight.

I move Greens amendment (3) on sheet 7787:

(3) Page 17 (after line 3), at the end of the Bill, add:

Schedule 5—Repeal of the Tax and Superannuation Laws Amendment (Better Targeting the Income Tax Transparency Laws) Act 2015

Part 1—Repeal of Act

Tax and Superannuation Laws Amendment (Better Targeting the Income Tax Transparency Laws) Act 2015

1 The whole of the Act

Repeal the Act.

Part 2—Application

2 Application

(1) This item applies if the Tax and Superannuation Laws Amendment (Better Targeting the Income Tax Transparency Laws) Act 2015 receives the Royal Assent before this Schedule commences.

(2) Despite section 7 of the Acts Interpretation Act 1901, the Taxation Administration Act 1953 as in force immediately before that Royal Assent continues to apply, by force of this item, as if the amendments made by the Tax and Superannuation Laws Amendment (Better Targeting the Income Tax Transparency Laws) Act 2015 had never been made.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (19:02): The government will not support this amendment. In fact, we oppose this amendment. On 15 October 2015, parliament passed a bill to amend the legislation which previously directed the Commissioner of Taxation to publish confidential tax information of Australian controlled private companies. The government introduced that amendment because publication of the taxation information of these companies would have, effectively, disclosed the owners’ financial affairs and posed a risk to their position in the market by making key economic information available to their competitors and suppliers.

It is important to note that the amendment has no impact on the comprehensive powers of the Commissioner of Taxation to require companies to produce any information that is relevant to making an assessment of their tax liability—powers he already has. The public disclosure of tax information law will continue to apply to multinational enterprises operating in Australia and to Australian public companies. The government has made clear that every company—indeed, every taxpayer—must pay the right amount of tax. To that end, it has tightened the thin capitalisation laws applicable to the amount of interest that may be deducted and has introduced new legislation to tackle tax avoidance by large multinational groups—specifically, the bill that is being considered by the Senate today.
Given that Senator Whish-Wilson has suggested that the reason for this amendment is that he feels misled by the so-called Family Office Institute Australia, there are a number of much more senior and very reputable organisations that have advanced the same arguments. Just because there is a question mark over the credibility of an organisation pursuing a particular argument does not make the argument wrong, particularly when you have the Law Council of Australia and PwC supporting the amendments that the government has made to the legislation and which Senator Whish-Wilson is seeking to reverse.

We do not support this Greens amendment for the reasons that we have outlined. This bill will have to come back before the Senate and the Senate will have to make a judgement on whether it wants the tax commissioner to have additional powers to enforce tax compliance by multinationals and, essentially, to ensure that we have better powers for the tax commissioner to prosecute multinational tax avoidance more effectively. The amendments that have been passed and that are now being flagged in relation to this particular measure will delay the implementation of this legislation which, of course, significantly boosts the powers of the tax commissioner to take effective action against tax avoidance. The Senate has to be very conscious of the fact that we will have to deal with this legislation again, when we could be getting it onto the statute books much more quickly and much more efficiently.

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (19:05): I would like to add my contribution to the debate by saying that I have never before in my life heard anything so preposterous as the reason being put forward to oppose this amendment—except that I have. About 10 or 15 years ago the Greens, the Democrats and Labor put up amendments to ensure that companies were required to disclose the salaries of their chief executives and top five or 10 employees so that shareholders knew. Do you know what the argument was all those years ago? There will be mass kidnappings! After 15 years or so of this debate, Senator Muir, I can promise you that there have been no kidnappings. I can promise you that if you have fallen for this, I have a Harbour Bridge I would like to sell you! Seriously, this is the same rubbish they trotted out to protect their corporate mates 15 years ago. Tragically, I have now had to listen to this twice.

I would say to Senator Muir, Senator Xenophon and other crossbench senators who are accepting these arguments that last time a majority of the Senate said, 'We don't believe you,' and we supported and moved an amendment that gave shareholders an opportunity to know what was being paid to their chief executives. This was fought by the Business Council and the big end of town and they kicked and screamed. And guess what? They have been at it again. They have even bothered, in the digital age, to set up a couple of fronts—what a classic—to pursue their interests. This should be seen for the fraud that it is in terms of the activity of pretending that there is a groundswell of support opposed to disclosing this information. This should be seen as a 'fraud for kidnappings'. Fair dinkum. I am not joking. They actually used kidnappings 15 years ago and, fortunately, the crossbenchers at the time did not fall for it. So I urge those of you who have been involved in this debate: please do not fall for it again. Do not fall for this. This is complete rubbish designed for one purpose and one purpose only: to continue to conceal valuable information that allows the public to make judgements.

The mob on the other side thinks it is okay to put your assets in companies through the Cayman Islands, like Mr Turnbull puts his assets through the Cayman Islands and then wants
ordinary Australians to pay a GST on food at 15 per cent. What an outrage. They want to protect their mates at the big end of town 10 times out of 10. They will not do the job of fixing the revenue base in this country. They will not do the job. They come up with mealy-mouth legislation, they cannot give a forecast of how much money they will actually get and they want to come in here and then try to make Australians pay a tax on food—a GST of up to 15 per cent. How about we start getting some honesty in the tax system? How about we start getting some disclosure in the tax system so that Australians can judge who is paying their fair share—whether Australians think it is okay to run your assets through the Cayman Islands, whether you are a company or Mr Turnbull, or you have to pay—

Senator Cormann: Mr Chairman, I rise on a point of order. Senator Conroy is adversely reflecting on the Prime Minister. The Prime Minister has publicly made very clear that he pays tax on all of his income in Australia and, like many industry funds, some of the funds in which Prime Minister Turnbull is invested are based in the Cayman Islands. In an abundance of caution to avoid risk of conflicts, most of his funds are invested overseas. Australian Super, I suspect, is invested in funds through the Cayman Islands. In any event, there is an adverse reflection on Prime Minister Turnbull by Senator Conroy which I would ask him to withdraw.

There is an adverse reflection—a suggestion that somehow Prime Minister Turnbull is not complying with his tax obligations in Australia when he has already made very clear that he pays tax on all of his income here in Australia.

Senator CONROY: On the point of order, I can understand why those opposite are a little sensitive about a Prime Minister who runs his assets through the Cayman Islands. I can understand that. I would be sensitive about it if I got tumbled. I would be very sensitive about it. I am not suggesting any illegality. So, on the point of order, I am simply pointing out an agreed fact: Mr Turnbull has his assets run through the Cayman Islands. If you want to imply that there is a problem with him doing that, I am happy to take your imputation, but I simply stated that that side of the chamber are happy to let Prime Ministers and companies run their assets through the Cayman Islands. It is a statement of fact. You are happy about it. So, on the point of order, I ask you to dismiss it as there is no point of order.

The CHAIRMAN: That is right. That probably takes us back to where we started. I was listening. I did not think that there was an adverse reflection, but I understand what you have said, Minister, and I am happy to look at the Hansard and review that position. I do remind senators that, when referring to members, they should pay the proper courtesies and respect to them.

Senator CONROY: What we are seeing is a government that is very sensitive on these tax matters. It does not want to reveal information to the Australian public to allow them to make a judgement about whether a tax package coming into the future can be fair. That is what goes to the heart of this debate: fairness and whether the Australian public have all the facts they need—whether your constituents, Senator Muir, whether your constituents, Senator Xenophon, or whether your constituents, Senator Madigan, know the truth. When they have all the facts—not hidden or disguised—they can make a judgement on whether they should pay a 15 per cent GST, because some people have tax affairs they would rather have hidden. I can understand the Prime Minister being sensitive. He runs his assets through the Cayman Islands. It is just a fact. I do not think it is appropriate and I do not think it is appropriate for super funds.
Government senators interjecting—

Senator CONROY: I am happy to take that all on as part of getting it fixed—fix that; fix this—and then the Australian public can genuinely make a judgement about whether they should pay a 15 per cent GST or a GST on food. What could be simpler than asking for information? It is just like when this parliament and this chamber bravely said, 'We don't believe the Business Council. We don't believe all those business groups who have knocked on our doors worried that their chief executives are going to have their children kidnapped.' It is just like that was not supported by any facts, including from the police or anybody else in the inquiry that went into this. Do not fall for it. The Liberal Party—it is in their DNA—want to put a GST on food and they want to try to create an argument about why Australians need that. I am up for the debate. I have been through it once before. There are not many of us. I think I am the fourth-longest-serving senator for my sins, and there are many! I am sure there is unanimous agreement on that part. I think that only Senator Heffernan's sins can exceed mine. But for my sins I have lived the GST debate before and I know all the arguments that will come forward. Let's get the truth and the facts on the table. Do not fall for the line that there is a problem with this information being disclosed. There is not. Senator Xenophon, I was hoping that you would reconsider. Senator Madigan, I know you were undecided last time, and there was confusion in the chamber. I believe that that vote should have been recommitted to allow you to express a view one way or the other. But due to the timing of that vote—when it went through—you never got a chance. If you had said 'no' back then, this amendment would not have been necessary today. If you felt that that disclosure was appropriate last time—even though we are probably still going to lose—I would urge you to follow your conscience on this.

I believe, deep down, that you believe Australians should know this—particularly if they are going to have a GST foisted on them. They should know who is paying tax and who is not paying tax. They should know who is running their assets through the Cayman Islands. They should look at the report that has come out today. I urge every crossbencher to look at this report produced by Oxfam, Tax Justice Network and those organisations who have identified companies that have $2 billion of assets running through the Cayman Islands, through the Singapore tax havens and through all the other tax havens to avoid paying tax in this country. Tragically, I studied tax economics at university.

An honourable senator interjecting—

Senator CONROY: I know; it is very sad. The fundamental principle is: you should be taxed where your economic activity takes place. That is like an economic principle: if you earn your money here, you should pay your tax here. This week, even James Packer called for companies to pay the true amount of tax. We all know what Mr Packer's dad famously said: 'You should pay as little as possible.' Today, Mr Packer thinks that Australian companies are not paying their fair share, and many of us in this chamber would agree with that.

Senator Canavan: Mr Chairman, I rise on a point of order going to relevance. We have let Senator Conroy go for some time, here. He is now drifting into areas that have nothing to do with the particular amendment being debated before you. On relevance, I ask you to bring him back to the question before the chair.

The CHAIRMAN: I am satisfied that—
Honourable senators interjecting—

The CHAIRMAN: I have not ruled on the point of order yet. I was trying to, but I was interrupted.

Honourable senators interjecting—

The CHAIRMAN: I am ready to rule on the point of order. I am satisfied that Senator Conroy is actually building an argument, as broad as it might be, to support his argument on the amendment itself. I do not think there is a point of order.

Senator CONROY: I can understand why the mention of the words Cayman Islands sends a shiver down the spine—this is the party that wants to put a GST on food, and it is okay to run your assets through the Cayman Islands. I get it. I am absolutely outraged that you can all stand there and pretend you are taxing companies, refuse to disclose taxation receipts, rush bills through parliament at the last minute, and try and pretend with an asterisk—

Senator Heffernan: Mr Chairman, I rise on a point of order. His government approved the future fund—

The CHAIRMAN: That is not a point of order. Resume your seat.

Senator CONROY: I appreciate Senator Heffernan's intervention. It is always colourful, but it does not disguise the facts. Again, I urge Senator Muir, Senator Xenophon and Senator Madigan: if you have fallen for this line, the kidnappings will take place. Know that it is not true. Know that, 15 years after the business community claimed it last time, it was not true then and it is not true today. No submissions came forward to justify this bill at all, other than those put together by a digital front group. Senator Xenophon, I thought, perhaps, once you saw that you were taken for a mug at the inquiry you might have been willing to reconsider. You were all taken for mugs by a couple of—

Progress reported.

ADJOURNMENT

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

Adoption

Senator SESELJA (Australian Capital Territory) (19:20): Yesterday, I had the great privilege of attending, with Deborra-lee Furness and the team at Adopt Change, led by Jane Hunt, the launch of National Adoption Awareness Week 2015. National Adoption Awareness Week was founded by Deborra-Lee Furness in 2008 and is designed to raise awareness of adoption and provide education on the support needs of children and families. This offers real encouragement to the thousands of Australian families who are ready, willing and able to embrace those children in need and give them a stable home.

I would like to acknowledge the great work that Adopt Change do in this space. In August, Adopt Change released the Modern families: attitudes and perceptions of adoption in Australia research report, which provided information that showed there is an overwhelming sense from the community that Australia can be doing more for adoption. People want to see the red tape removed that currently makes it so hard to adopt. More than that, what they want to see is some of the entrenched attitudes against adoption, in parts of the system, removed and overcome, for the sake of vulnerable kids. There are statistics that make it very clear that
this is an issue, like the 15,000 children in Australia that have been in out-of-home care for more than two years and are not with a relative, or the fact that, on average, a child in out-of-home care will be moved between six different families. It is not stable long-term, and Adopt Change is working to bring more awareness to this issue and to really help these children.

Earlier in the year, Senator Jo Lindgren and I called on the federal government to work with the states to make adoption reform a high priority. There are many other senators and members in this place who will want to join us in this push. I note the public comments of Andrew Hastie as one of a number in recent times who is joining in this significant and important push. I know there is great support in this place as well, and, in coming days in this place, I look forward to bringing forward a motion to this effect.

This is in many ways a national tragedy. Unfortunately, we see far too many children in a situation where they do not get the kind of stability they deserve. I want to reflect on the statistics for a moment: 15,000 children have been in out-of-home care for more than two years and are not with a relative. Those are children who the courts have deemed are unable to return to their birth families, for various reasons. Usually it is because of serious dysfunction. There is an inability, for whatever reason, of the parents to look after these children. There is sometimes the most serious neglect and the most serious abuse.

The fundamental problem at the moment is that, whilst in some cases the courts and others are acting to take kids out of these abusive and neglectful situations, I believe that, through our system, through having such a strong bias against adoption in this country, we are re-traumatising these kids. We do not give them the stability they deserve, when there are families who wish to adopt and who are capable of adopting. We see these children move again and again. Think about the trauma that causes. Think about what that does to a young child's brain development. Then we see some children ending up in residential care. They are seen as the hardest cases. I believe no case is hopeless, but they are the kids who we end up spending the most money on, and sometimes, unfortunately, without success in giving them the kinds of life opportunities that we would hope for—that I want for my children, that we would all want for children everywhere.

The work that has been done this week and more broadly by Adopt Change is critical in shaping policies. The community is with us on this. The statistics show that the community wants change. But, unfortunately, there are aspects of the bureaucracy, aspects of the political class, who are anti-adoption and therefore are denying these children their God-given right to stability and to a safe, nurturing and loving family home. I commend the work of Adopt Change. I think there should be much more awareness and much more said about this issue.

Remembrance Day

Senator PERIS (Northern Territory) (19:25): I rise tonight, on the eve of Remembrance Day, to pay tribute to our service men and women, past and present. After four years of conflict, at 11 am on 11 November 1918, guns fell silent after allied forces had driven German invaders back, and the Germans called an armistice so that a peace settlement could be reached. Tomorrow we mark the 97th anniversary of the armistice which ended the First World War.

I, along with many of my parliamentary colleagues, will be attending the Australian War Memorial here in Canberra to salute our armed forces. Together we will pause to remember
more than 60,000 men and women who lost their lives and the 156,000 who were wounded, gassed or taken prisoner. We are all touched when a member of our Defence Force is killed in action. It is difficult to comprehend the grief associated with the loss at war of a parent, partner, child, brother or sister. Let us also make sure that we remember their families too.

Last Thursday, 5 November in Darwin, I had the absolute privilege of witnessing the exercising of the Freedom of Entry parade, marking the 50th anniversary of the 5th Battalion Royal Australian Regiment of the Australian Army serving our nation in peacetime and war. The 5th Battalion, Royal Australian Regiment is stationed at Robertson Barracks in Darwin. The commanding officer is Lieutenant Colonel Paul Shields MBE. Paul and the 5th Battalion officers and men were magnificent last week, in hot and very humid conditions in the Top End. Troops carrying weapons marched through the city with military vehicles and their mascot—would you believe a real-life tiger called Corporal Quintus Rama.

On 5 November 50 years ago, 5th Battalion conducted their inaugural parade, which started their intensive training program prior to deploying to the Vietnam War. I was proud to attend the parade, which included many Territorian Vietnam veterans and more recent veterans who have also served our country in war and peace missions. We Territorians are rightly proud of our defence forces.

Also in attendance was our Governor-General, Sir Peter Cosgrove. He said: 'Service, sacrifice and courage—that is what the men and women of the 5th Battalion know. This is what they've been made of for half a century.'

The Governor-General has a strong personal connection with Darwin, as he was a company commander with the then 5th/7th Battalion. He flew into Darwin to assist with the clean-up after the 1974 Cyclone Tracy devastation. He said: 'When much of Darwin was blown away by the devastating force of Cyclone Tracy, this Battalion, then known as 5/7RAR, was among the first army units on the scene providing emergency services, spearheading the clean-up and helping the city and its people pick up the pieces and get their lives back together.' His Excellency reminded us how he was able to observe, back in 1974, the affection that grew from that day forward between the people of Darwin and the service men and women of the Australian Army.

The 5th Battalion is part of the 1st Brigade based in the Top End, and Brigadier Mick Ryan is the Commander of the 1st Brigade. Brigadier Ryan has spoken of the battalion's work in peace and war, including multiple deployments to Vietnam and the Middle East. Brigadier Ryan said he envisaged that members from the 5th Battalion will go to Iraq in the very near future, and we wish them well.

I met some older veterans last week, including Brian Schafer and the Army's inaugural Indigenous elder, Uncle Roy Mundine. A Bundjalung man, Uncle Roy had a distinguished 36-year Army career, enlisting in 1958. Both were in Darwin for the Freedom of Entry parade. They both served with the 5th Battalion in South Vietnam.

I also want to acknowledge my own family who have served this great country. My great-grandfather Jack Knox served with the 2/16th battalion AIF on the Kokoda Trail. My sister, Venessa, served for 10 years in the Australian Army before moving to Liberia with the United Nations as a movements control logistics officer. She spent seven years in the Ivory Coast, including through their civil war in 2011. She now lives in Monrovia, Liberia. This is her 13th

Finally, I want to pay tribute to the hundreds, or perhaps I should say thousands, of families around the country who support our defence forces, who keep the home fires burning for when their loved ones return home. To our brave men and women who fought for freedom and to those who continue to serve to protect our country on a daily basis, we thank you. Lest we forget.

Taxation

Senator LAMBIE (Tasmania) (19:30): I rise to bring to the attention of the Senate a letter requesting tax reform that I have sent to the Prime Minister on behalf of Australia’s craft distillery industry. In Tasmania alone, there are at least 14 distilleries, among more than 50 Australia wide, which produce some of the finest whiskies and gins in the world. Tonight, while I advocate for tax changes which will benefit all Australian craft distillers, in particular I invite all who hear this message to visit Tasmania so that they can eat, drink and be goddamn bloody merry. Due to time constraints, I will read an edited extract of my letter to the Prime Minister, which says:

Dear Prime Minister

I am writing to seek your support for policy reforms that would benefit Australia's burgeoning craft distillery industry - which already has a strong presence in Tasmania and looks to continue to grow.

Through my discussions with local distillers, it has become clear that the existing taxation and industry assistance arrangements - need serious reform to support our distilling industry and remove discriminatory barriers.

The reform proposals I outline below do not seek preferential treatment for local distillers but, rather, seek to mitigate some of the discrimination against the industry to encourage investment and growth in the industry.

The distilling industry in Australia is subject to a taxation system that actively discriminates against it relative to other beverage alcohol producers both in terms of rates and compliance requirements. This discrimination is then exacerbated by the fact that other sectors of the alcohol industry receive various forms of assistance that the distilling industry does not.

The Government's very own tax reform discussion paper "Re:think" highlights perfectly the tax discrimination against spirits.

Alcohol tax on a Standard Drink of spirits is $1.01 — that is double the tax on full-strength packaged beer ($0.45) and more than three times the tax for a $15 bottle of wine ($0.28).

This discrimination puts distillers at a significant disadvantage and acts as a barrier to investment in the distilling industry.

The need for alcohol tax to be part of any serious tax reform package was highlighted by the Henry Tax Review, which recommended a single volumetric rate for all alcohol beverages.

Under the Wine Equalisation Tax (WET) rebate, all Australian winemakers regardless of size can sell $1.7 million worth of wine without paying any alcohol tax. In effect, they can put that wine into the market alcohol tax free.

The brewery refund scheme provides eligible independent breweries with a beer excise refund up to a maximum of $30,000 per financial year. This is available to all breweries.

In contrast, distillers receive no such assistance in any form.
The Government's ongoing Tax White Paper process offers a once-in-a-generation opportunity to bring good public policy to the forefront of developing a new alcohol tax system. Indeed, any tax reform package that does not include reforming alcohol tax would not be real reform. These reform proposals have the support of our distilling industry.

In talking to distillers in Tasmania, it has become clear to me that the massive discrimination against spirits in terms of tax paid is a significant barrier to Australia's distilling industry and discourages innovation and investment.

I believe that any tax reform package put forward by the Government must end the discrimination against the spirits industry. I seek your support to transition all alcohol beverages to a simple, fairer system through a single volumetric tax rate, as recommended by the Henry Tax Review.

A single, fair rate would allow Australia's distilling industry to grow and compete on a level playing field and end the discrimination and complexity of the current arrangements. This is good policy that supports innovation and investment and removes the single largest barrier to our emerging distilling industry.

The discrimination here is obvious and also requires immediate attention. The Government's WET rebate discussion paper states that the clear intent of the WET rebate is to benefit small wine producers in rural and regional Australia.

The category 'small wine producers' should be interchangeable with 'small distillers'. I propose that the WET Rebate (as well as the brewery refund scheme) be replaced with an alcohol industry wide producers' rebate. I thank you in advance for the due consideration that these reform proposals will be given.

(Time expired)

Workplace Relations

Senator LINES (Western Australia) (19:35): Those on the other side in this chamber seem to love to demonise unions. They attack unions almost on a weekly basis, and they are not beyond attacking the CPSU, the public sector union. We also hear from the government, without any proof, that unions apparently delay enterprise bargaining, that they are slow in coming to the table, slow in considering offers put by employers and so on. It is time the government shone a spotlight on itself, because the way the government has behaved in public sector bargaining is nothing short of an employer who is trying to avoid enterprise bargaining.

The CPSU has been attempting to bargain with the government for 18 months. For 18 months the CPSU has been trying to sit down to bargain with the government in good faith. Our previous IR minister somehow tried to paint a picture that a four per cent wage claim was unrealistic. Somehow he was trying to claim it was 12 per cent in a year. There were never any real details, but the claim is four per cent a year.

More recently, we heard from the new industrial relations minister, Senator Cash, that somehow Border Force is not living in the real world. Courtesy of the government, which is acting like a bad employer, and certainly not bargaining in good faith, unprecedented industrial action is happening right across the Public Service, whether they are conservative departments that have never taken industrial action or departments that have taken industrial action before. The government has single-handedly managed to upset the whole of its Public Service—not just one department, not two departments, but the whole of its Public Service.
This week we see with Border Force, something the government is very proud of creating, that the government cannot even get that right. Border Force took a 24-hour stoppage at our airports. And what is the government's reaction to that? Well, it is just silent. Again, we have seen the minister's own industrial relations department—the experts in the game, if you like—voting overwhelmingly to reject their pitiful offer from the government, something like a one per cent increase, with a massive trade-off of hard-won conditions of employment. The minister's own expert department, its own industrial relations department, was a very early rejecter of what was on the table.

Just a couple of weeks ago we saw the Prime Minister's own department now considering industrial action. It is just unacceptable that the government cannot treat its Public Service with the respect it deserves and sit down and bargain in good faith—something they accuse the unions of doing all the time: 'Unions don't bargain in good faith.' Here we have a real, live example of the federal government being absolutely unable to bargain in good faith with their Public Service, to the tune that almost every single government department has either rejected the pay deal or taken industrial action, two of those being key departments. How embarrassing that the Prime Minister's own department is about to embark upon industrial action because the government has simply failed to sit down and make a decent pay offer to hardworking public servants.

And what is it about? They want to demonise public servants. Well, they are the heart of government. Those departments are what makes governments keep churning over. They do good work. They are highly dedicated. The public servants I see, certainly in my own team and the teams of ministers and backbenchers, no matter which side of the parliament they are on, are all hardworking. I look at the secretariat staff; I look at departments that come before us at estimates. All of those public servants are hardworking and deserve a fair go from a government that is acting like the worst employer in the nation by refusing to bargain in good faith.

Eighteen months is too long. It is time our public servants got a decent pay rise and were able to sit down with an employer who is willing to listen to them to put a decent offer on the table and stop trying to take away hard-won conditions, real conditions, such as annual leave and so on. So, lift your game, government. You are the worst employer in the land.

**Education Funding**

**Senator POLLEY** (Tasmania) (19:40): Tonight I attended the Australian Primary Principals Association launch of the Charter on Primary Schooling, which is a great lead-in to what I to relay here in the Senate about the conversation I had when I visited Youngtown Primary School last week with Amanda Rishworth, the shadow assistant minister for education, and our fabulous Bass candidate for the Labor Party, Ross Hart. It was inspirational to again visit that school. We had the opportunity to see a new video that the school has put together that outlines what inspires them—what the inspiration of their school is all about. If you are a parent wanting to enrol your child as a student you can come along or go online and view this video. It was excellent, and I want to put on record my thanks to Mario Bergamin, the school's acting principal.

Youngtown Primary School has a vision that is simple: inspired today, prepared for tomorrow. The core values of the school consist of learning, relationships, integrity, compassion, creativity and innovation. They have some wonderful programs to assist their
students. One of those we learnt about was a catch-up literacy program, which assists children to enhance their literacy and reading standards and is a parent-inclusive program. They have invited parents to go along to do a course so they can participate and help other students in the school. It is a wonderful program, but so many of these programs are going to be at risk if this government fails to deliver on the Gonski funding for years 5 and 6. That was one of the conversations we had upstairs tonight as well, with the principals I met from the Tasmanian schools, from the south of the state. But the issues are still the same. They need to ensure that primary school education is the world's best. That is what our kids deserve. The gateway to their future learning is that they get the proper grounding, the best opportunity in primary school.

Getting back to Youngtown Primary School: they were way ahead of the kitchen garden program that has been on board now for some years around the country. Their community garden and outdoor learning spaces program is really a unique program. It is a wonderful opportunity for all students to learn and to participate, and it has given me a lot of pleasure, over a long period of time now, to be a sponsor of that garden and to see the young students planting, nurturing and growing the plants and then being able to consume the vegetables and fruits they grow. It is very rewarding. It is a level playing field. And these are some of the activities, along with activities like music, sport, drama, and dancing, that are at risk, let alone the other programs for which a lot of schools are now having to consider whether they will be able to continue to afford.

These cuts and the fact that the government has failed to give a commitment that it will deliver on the Gonski funding comes on top of the Liberal state government in Tasmania making cuts to education. That has, in turn, taken a lot of teachers out of the classrooms in the state school education system. The Liberal government should be condemned for that. We know that in the north-east of Tasmania alone $154 million will mean that those kids are going to be worse off over the next 10 years. That is outrageous, at a time when we should be investing more in education. But no. What do we get from this government?

They make promises before the election, but we know what they have delivered when they have been in government for the last two years now. They have cut health; they have cut education; they have not delivered on Gonski. What do they want to do now? They want to increase the GST. They want to put the GST on fresh food—fresh vegetables and fruit. So every time a mum or dad makes a school lunch for their kids going off to school, not only are they going to have to pay GST on the education and health but also they are going to have to pay it every time they pack that school lunch—for every apple, orange or banana that is put into that lunch box. That is outrageous. That is the 21st century vision of this Prime Minister. All I can say is that you might have changed the captain, but the team and your practice and skills are all the same. It is directed at those people in this country who can least afford it. You are an unfair government. The Australian community will reject you, because they know that you have not got their best interests at heart.

Royal Commission into Trade Union Governance and Corruption

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (19:45): I have spoken in this chamber before regarding the government's politically motivated trade union royal commission. I have outlined, in detail, the prejudicial processes enshrined in Mr Dyson Heydon's practice directions, which wilfully abandon the principles of natural justice.
and are totally without precedent in any royal commissions that have come before. I have also spoken about Mr Heydon's glaring conflict of interest in regard to his support for Liberal Party fundraising efforts. It is well known that Mr Heydon failed his own test of reasonable bias in accepting the infamous fundraising invitation, notwithstanding his subsequent scrambling, pathetic efforts to reconsider and judge himself impartial.

With the trade union royal commission's political motivations and lack of credibility well established, we should not have been surprised by the extraordinarily irresponsible and prejudiced actions last week. On Friday evening, after business had concluded for the week and the nightly news had run, Mr Heydon and his $18 million Star Chamber dumped a media statement out on their website. This statement, inadequate as it was in detail, admitted that the royal commission's persecution of Bill Shorten had ultimately been unfounded. Despite pathetically desperate attempts by counsel assisting, Mr Jeremy Stoljar, to denigrate Mr Shorten's work over many decades in the pursuit of fairer and safer conditions for workers across Australia, and despite Mr Heydon's public attempts to humiliate Mr Shorten while he was testifying as a witness, the coalition government's $18 million trade union royal commission had assembled evidence, heard testimony and come to the conclusion that Mr Shorten had no case to answer.

Let us be clear: this Star Chamber has actually cleared Mr Shorten of any unlawful conduct. This is no surprise, Mr Acting Deputy President Back, to fair minded people, and I know you are one of those. Mr Shorten has dedicated his life to standing up for working people and has conducted himself with the utmost integrity in doing so. But this shamefully biased royal commission did not admit its monumental error with the dignity that it should have. Legal representatives for Mr Shorten smelt a rat. They tried to contact the royal commission multiple times through the course of Friday, but the royal commission staff never returned those calls. Instead, they were busy preparing a media statement to be released after business hours, long after the media had filed their stories and gone home to their families. Everyone in this place knows what this strategy is known as: taking out the trash. Releasing information on a Friday evening is a sure-fire attempt to kill a story. Mr Shorten's proven innocence is a story that this biased Star Chamber royal commission did not want to admit to.

But it gets worse. It was not just that they tried to slide it out in the last five minutes before midnight. The briefing of media and leaking of information has become a recognisable weapon in this royal commission's arsenal. Witnesses have been attacked, unsubstantiated accusations have been levelled and confidential information has mysteriously permeated from the royal commission's media unit. They have been the masters of the smear and the leak and never once have they been called to account by Mr Stoljar or Mr Heydon.

However, until Friday, the official media statements providing updates of the royal commission's work had followed a steady formula. They drily outlined processes and dates, generally providing information already available in the public domain. But the royal commission's media statement published on their website late last Friday night diverged from this formula, significantly. Friday's media statement condensed some 460 pages of submissions into just a few paragraphs of text. They chose not to release the text—they decided they would do a summary of one page that covered 460 pages of submissions. Apparently, this was the key point of the royal commission's work as interpreted by Mr Heydon and Mr Stoljar themselves. So they, then, got to opine.
This is the first time that we have seen the royal commission so blatantly and cravenly attempt to shape the media and the public's interpretation of evidence and findings. It is not good enough to just put the submissions out. No—we have to spin it for all it is worth as well.

These are extraordinary actions for a royal commission, which we have never seen before. The documentation upon which the statement was supposedly based was not even publicly released so you could check the facts in the spin of their press release. The 460-odd page of submissions were hacked down to a single media statement with just one line admitting Mr Shorten's innocence:

There is no submission the Mr Bill Shorten may have engaged in any criminal or unlawful conduct.

But despite the release of Mr Stoljar's submission to key media personnel on Friday night—so they actually leaked it anyway—the royal commission delayed the public release of the submission for another three days. You put a press release out and for three days you do not even put out the supporting documentation? Of course, the media statement provided no justification for such a diversionary delay. When the details of Mr Stoljar's submissions were finally released yesterday, the 460 pages of reflections and recommendations of the royal commission were littered with concessions of Mr Shorten's innocence. Let me run through some of the quotes for you—because there are some crackers in here that the royal commission chose to hide last Friday and for three days. Here are some quotes:

1. 'The evidence does not support a finding that Mr Shorten had any substantial involvement in the arrangement ...

2. '... payments were not made pursuant to any contractual obligation and Mr Shorten was under no obligation to provide anything in return.'

3. 'The above matters ... do not establish that Mr Shorten promised ... something in return for making the payments. There is no evidence of conduct of that kind.'

4. 'The question is whether there may have been anything improper or unlawful about that. It is submitted that the evidence does not establish that there was.'

And it goes on and on:

5. 'Such an official could act improperly if he or she used his or her position in order to obtain or procure a benefit for himself or a third party. But the evidence does not establish that Mr Shorten so acted ...'

6. 'Accordingly, it is submitted that the negotiations .. do not establish a real and substantial possibility of conflict of interest and duty.'

7. '... there is no suggestion that Mr Shorten was involved ...'

8. 'The evidence does not, however, establish that Mr Shorten had any involvement ...

And I could go on and on and on. So despite this government spending $80 million of taxpayers' money on a royal commission designed to attack and smear their political opponents, the royal commission hid the fact that Mr Shorten was innocent. What a disgrace they are to their profession—a professionally indolent, biased, lazy bunch of amateurs hiding behind the title 'royal commission'? Mr Dyson Heydon has acted with bias and prejudice from the beginning of this royal commission. The conduct of the royal commission has been akin to a medieval star chamber—and now they have admitted the innocence of their key target.

Well, Prime Minister Turnbull now has ownership of the trade union royal commission. Australians will judge his handling of this chaotic mess harshly. Australians of a fair mind
will recognise a filthy smear campaign conducted by people pretending that they had some semblance of legal integrity. \textit{(Time expired)}

\textbf{Australia's Largest Doorknock}

\textbf{Senator SIEWERT (Western Australia—Australian Greens Whip)} (19:55): This weekend I am very proud to be taking part in the Australian Greens' contribution to Australia's Largest Doorknock. Greens members will be joining other members of the community to get the word out and build more and more community awareness about why we need to stand together to prevent the impacts of climate change. On Saturday, 14 November Western Australians will knock on doors all across Perth and ask their neighbours to tell the Prime Minister and Julie Bishop that we want strong action on climate change and invite them to join the People's Climate March at the end of November. We know that our great strength is our ability to reach out to people and have face-to-face conversations with them about issues that are of great concern to Australians and people all around the world. We want to make sure the government knows that climate change is an issue our community cares about. We need to make sure it is on the agenda for next year's federal election and that this country takes the right measures to Paris. I hope the people of Perth will join me and other members to get this important message out and undertake this important activity.

The community are not the only ones who are worried about the impacts and effects of climate change. We have seen a real shift with our global leaders starting to take climate change seriously. Australia must join in or we are going to be left behind. We know that the time to take action is now—as do a lot of members of our community. Unfortunately, we have reached a terrifying milestone in the impacts that humanity is having on our climate. There was information in the news today that, according to the UK Met Office, the world temperature has moved by more than one degree since pre-industrial times. The national October mean temperature was 2.89 degrees Celsius above the long-term mean and the highest on record for any month of the year, surpassing the record of 2.75 degrees Celsius set in September 2013. We also know that records were set in October this year as well.

The effects of climate change are all around us. In my home state of Western Australia you can see it everywhere. There is decreasing rainfall in the south-west. People just talk about it and acknowledge it. Managing the impacts of that decreasing rainfall and changing climate is now part of the work they have to do. We have seen increases in extreme weather events and especially in our oceans. Our oceans, as I have articulated in this place many times, have unique marine species that are found nowhere else in the world. But right around the country our oceans are under threat. It is very concerning that rising sea temperatures are threatening coral reefs. By the beginning of next year 38 per cent of the world's reefs will be affected by coral bleaching and five per cent will die forever. And part of that coral dies every time we have a coral bleaching event. In my home state of Western Australia the Kimberley is particularly at risk. In 2011, a marine heat wave in WA resulted in waters being more than three degrees warmer than the average during the autumn months, and it was associated with algal mortality, coral bleaching and fish kills. The US National Oceanic and Atmospheric Administration, commonly called NOAA, forecasts of coral bleaching due to sea temperatures through to February 2016 have delivered the highest possible warming—and, therefore, warning for the impact of coral bleaching—for the coral reefs off the Kimberley coast. Coral bleaching will be far worse for the north-west of Australia due to climate change.
This looks like it is set to be, unfortunately, another global record. The Kimberley reef warming in 2011 was the worst on record, and the Kimberley still has not recovered. Now, it is going to have the net wave of coral bleaching due to global warming.

Warming of the reef is not helped by the way our oceans are able to cope and rebound. Unfortunately, worse is to come for our reefs. This summer is likely to be the worst on record and the impact is likely to be the worst that our reefs have seen. This highlights, yet again, the importance of ensuring that we protect areas of our marine environment. Protecting areas from other impacts helps ensure that they are more resilient and gives our reefs a fighting chance. We must improve the protections that ensure our oceans have the best chance of survival under these increasingly dire circumstances.

We want our marine protected areas back. Please, Mr Turnbull, give our world-leading marine reserves back. Undo the damage that Mr Abbott did not long after he came into power when he abandoned our world-leading system of marine reserves. When Mr Abbott became Prime Minister, he scrapped the management plans for our world-leading network of marine protected areas—effectively scrapping our marine reserves. We want them back. The government is now reviewing our marine protected areas and management plans, despite the fact that they were based literally on decades of work. The Prime Minister should abandon this review and reinstate this system of reserves. Unfortunately, if Mr Turnbull surrenders on marine protection, our oceans will remain more vulnerable to pollution, overfishing, oil and gas extraction and climate change. Early action and investment in mitigation plans, adaptation strategies and fisheries management need to be part of our efforts to respond to the impacts of climate change on our oceans. The immediate course has to be the reinstatement of our marine reserves. Please, give them back to us.

The Greens have supported the call for a global treaty limiting global warming to 1.5 degrees. Given the nature of the challenge, you would think that the government would be acting ambitiously and decisively on this issue. However, Mr Turnbull has followed in Mr Abbott's weak footsteps in regard to addressing climate change. It is imperative that we are ambitious and take strong action. The Greens voted unanimously at our national conference last weekend to back efforts to stabilise global temperature increases to 1.5 degrees above pre-industrial levels. It is clear that every temperature rise above 1.5 degrees is very dangerous. We have to listen to the science on this and act boldly and quickly. What is terrifying is that two degrees of average warming would wipe out almost 100 per cent of our coral reefs—coral reefs which are so fundamentally a part of our marine environment, particularly the Australian marine environment. We are known globally for our Great Barrier Reef on one side of the continent and the Ningaloo Reef on the other side of the continent. It is one of the world's best fringing reef systems. The beauty of Ningaloo, as you would know, Mr Acting Deputy President Sterle, is that you can literally reach it from the shore—unlike our other marvel, the Great Barrier Reef.

Time is running out. It is absolutely imperative that we get strong action out of Paris next month. I will be joining the greatest doorknock this weekend so that we can send a very strong message to the Prime Minister, to Minister Bishop and also to the world that there are Australians who do care about climate change and the impact that Australia is having and that we are sorry that our government are such laggards in this regard. Time is running out to take action. It is absolutely imperative that we take action now. I encourage Australians to join the
greatest doorknock, to engage in conversations about climate change and to send a clear message to our government that we want them to represent us and take action on climate change.

**Beer Sheva Dialogue**

**Senator REYNOLDS** (Western Australia) (20:05): Last week, I had the great privilege of joining the Australian Strategic Policy Institute in Tel Aviv as a participant in the inaugural Beer Sheva Dialogue between ASPI and the Begin-Sadat Center for Strategic Studies. It was my first visit to the Middle East, and it was an extraordinary, eye-opening time to be there, during the current period of regional upheaval and transition. You can only learn so much from books and maps, as this visit absolutely demonstrated to me.

The Australian delegation included ASPI staff, ably led by Anthony Bergin; the Australian Ambassador, Dave Sharma; my parliamentary colleagues Gai Brodtmann, the member for Canberra, and the Hon. Mark Dreyfus MP, the shadow Attorney-General. The delegation also included Mr Allan Gyngell, Major General Gus McLachlan and Major General Jim Molan, retired. The Israeli delegation was led by Professor Efraim Inbar, the irrepressible director of the Begin-Sadat institute. It included esteemed academics such as Dr Max Singer, founder of the Hudson Institute, and a wide range of senior military and civilian representatives of the Israeli government and the Israel Defense Forces. Most fittingly, this dialogue was named in honour of the famous charge of the Australian 4th Light Horse Brigade. The Australian embassy organised two wonderfully memorable commemoration ceremonies in Beersheba at the Commonwealth War Graves Cemetery and at the Park of the Australian Soldier.

This most famous of battles is not widely known today amongst many Australians, but it was a decisive turning point in the First World War, so I would like to take a few moments to share the story with you. Ninety eight years ago, in October 1917, the outcome of the First World War was in no way preordained. At that time, the failure of the Dardanelles campaign, a military catastrophe in Mesopotamia and the setbacks on the Western Front had all combined to greatly damage the Allies' morale. The Ottoman Empire, the Austro-Hungarian empire and Germany were all holding fast. Two allied attempts to break the Turkish defensive line running from Gaza, on the coast, to Beersheba, 43 kilometres inland, had failed and the town of Beersheba itself remained in the hands of the Ottoman Empire. A last desperate push was required if Beersheba and its critically important seven wells were to be captured. It was essential to the success of the Commander of the Egyptian Expeditionary Force, General Allenby's, campaign plan.

And so it was that, at 4.30 in the afternoon on 31 October, the 4th and 12th light-horse regiments of the 4th Brigade drew up behind a ridge some four miles south-east of Beersheba, and moved off. Following close behind were supporting forces from the 11th Light Horse Regiment and from the 5th and 7th mounted brigades. Facing sustained enemy fire but moving fast, the mounted infantry quickly fell upon enemy lines. They jumped the trenches, dismounted and then entered the trenches on foot, clearing them with both rifle and bayonet. Though outnumbered, the momentum and the sheer audacity of this surprise attack carried them through the Turkish defences. The light-horsemen took less than an hour to overrun these trenches and, finally, successfully enter Beersheba. The city was captured by nightfall and the Gaza-Beersheba defensive line was finally broken. It was the success and the desperation of the charge, late in the day and by mounted infantry, not mounted cavalry, that
has earned it an enduring place in Australian history and also in the history of the First World War. Their success was due not only to their courage but also to their ability to take the initiative, take risks and be disruptive—characteristics that have continued to serve our nation well in successive generations of service men and women and are today seen in our innovators and our entrepreneurs.

At the Beer Sheva Dialogue, Major General Molan reflected on a question he and many of us in this place are often asked: why does Australia get itself involved so often in other people's wars? The simple fact is that we get involved as it is in our national interest to do so. Our national interests extend well beyond our sea borders. Australian military involvement in the Middle East continues today and it is likely to continue for the foreseeable future. Today, 1,700 ADF personnel are deployed in the Middle East on seven separate operations.

On my visit to Beersheba, I met Defence personnel at the Beersheba ceremonies serving in two longstanding regional operations. Firstly, I met personnel from Operation Paladin, which supports the United Nations Truce Supervision Organization, UNTSO, which itself was established in 1948 to supervise the truce agreed at the conclusion of the first Arab-Israeli war. Since 1956, members of the Australian contingent have supported UNTSO, with 12 personnel currently on deployment in Operation Paladin. Secondly, I met personnel from Operation Mazurka, which supports the Multinational Force and Observers, a non-UN organisation established in 1981 to oversee longstanding regional peace agreements. We currently have 25 military personnel deployed in the Sinai, an increasingly unstable region with the rise of the ISIS affiliated Al Wilayat Sinai, now speculated to be responsible for the downing of the Russian MetroJet flight.

The Beer Sheva Dialogue was highly successful and both delegations discovered there is much to learn from one another. Discussions ranged across counterinsurgency, urban intelligence gathering, coalition war fighting, countering improvised explosive devices, the use of reservists, military procurement processes, and military and civilian resilience. Also in Israel at the commemorative ceremony, somewhat fittingly, was Minister Roy leading an innovation delegation. For me, one of the most significant insights from the trip was Israel's success in high-tech innovations, patents and start-ups. Today, Israel generates more start-ups and venture capital investment than Japan, China, the US, Canada or the UK. It was very clear to me that key to this success was the symbiotic link between Israel as a start-up nation and the Israeli Defence Forces ecosystem. As a result of this visit, I am delighted to advise that the Chief Scientist of Israel, Avi Hasson, a world expert on fostering an innovation ecosystem, has accepted an invitation to address the parliamentary friendship groups that I co-chair with Gai Brodtmann and Senator Dio Wang, the defence and innovation parliamentary friendship groups, later this month.

I would like to conclude by thanking both ASPI and the Begin-Sadat institute on the resounding success of this inaugural dialogue. But, as we all know in this place, successful events such as these never just happen. They are a result of extensive hard work by many people. So I give my particular thanks to ASPI. Peter Jennings, your team did an outstanding job. I give particular thanks to Mr Anthony Bergen, your deputy, and also to Mr David Lang, who successfully herded cats all around Israel and contributed to it being such a success. I also give my particular thanks to AJAC—Mr Colin Rubenstein and Mr Ahron Shapiro.
worked very hard to make it the success that it was. I give a special acknowledgement and
thankyou to Mr Zeke Solomon for your companionship and your support.

A very special thank you and acknowledgement go to our ambassador, Mr Dave Sharma,
and to his team in Tel Aviv. They all provided very dedicated and very professional support,
which, again, greatly contributed to the success of this visit.

Lastly, my particular thanks go to the Begin-Sadat Center for Strategic Studies, and in
particular to Professor Inbar, the director of the institute, and to his large team. We hope that
you realised as much benefit from this as the Australian delegation did, and we certainly look
forward to future delegations and dialogues.

Finally, and, I think, most wonderfully, as a result of this delegation, on this eve of
Remembrance Day, it was very clear that the legacy and spirit of our light-horsemen, who so
distinguished themselves at Beersheba, live on. Lest we forget.

Broadband: Rural Queensland

Senator KETTER (Queensland) (20:15): I wish to speak tonight on a matter that is a
manifestation of the continuing litany of broken promises of the Abbott-Turnbull govern-
ment and its complete disregard for the needs of our rural areas. Let me begin this sad story of
broken promises with the recent experience of the Diamantina and Barcoo shire councils,
located in Central Queensland.

I recently had the great honour of being invited to visit Barcaldine to speak at the Outback
Queensland Tourism Awards and to present the lifetime membership awards for four worthy
participants in the tourism industry of Western Queensland. In fact I think I was the only
politician present on the evening, which was held at the Australian Workers Heritage Centre
in Barcaldine. I guess it is for that reason that I can claim credit for the record rainfall that
occurred in Barcaldine overnight! In the 24 hours to 9 am on Sunday morning, 1 November,
105 millimetres fell. That was a record rainfall for the area.

During the course of my stay in Barcaldine that particular weekend, because of the rainfall
there was a period of time when I was waiting to travel to Longreach to catch my flight back
to Brisbane, because the roads were cut by the rising waters, and I had to spend some time at
the local bakery in Barcaldine. It was there that I ran into the mayor of Barcoo, Julie Groves,
who happened to be there having a cup of coffee. We got to talking about a number of issues,
and Ms Groves spoke to me about her great disappointment in terms of the funding for
telecommunications in her area.

After a decade of constant lobbying, Ms Groves, the mayor of Barcoo, and Geoff Morton,
the mayor of Diamantina, thought they had secured a plan that would future-proof their
drought-affected regions. This was a plan that would lift their shires into the 21st century and,
once and for all, bring them into the globalised economy that we in the cities take for granted.
The cost was small—only $22 million was required to lay fibre optic cable to the towns in
their shires, including Birdsville, Bedourie, Windorah, Stonehenge and Jundah, and the
amount they were seeking from the then Prime Minister, Mr Abbott, and his communications
minister was only $8.5 million.

Just to paint the picture a little more clearly, almost all of the area covered by these shires
has no mobile coverage. Under the current government's plan to restrict rural regions to
satellite and fixed wireless, they will still lack the capability to support vital high-bandwidth
services such as e-health, education and government services. Not only that, but rural regions like Diamantina and Barcoo fear that they are being overlooked by the growing drive-by tourist market, which increasingly requires connectivity everywhere, anytime.

I think it is important to note the importance of the tourism industry in Western Queensland at the moment. As I indicated, it is a drought-affected area, and tourism is one of the industries which is keeping many of the towns of Western Queensland going because people visiting the towns generate income in the local areas.

But I want to take you further with this, Mr Acting Deputy President. At the time, our magnanimous Prime Minister, Mr Abbott, made a surprising gesture of generosity in May when, on a visit to the drought-afflicted Longreach, he met with Geoff Morton, the mayor of Diamantina, who put the case for broadband to the Prime Minister.

You can imagine how excited Geoff and Julie, the two mayors, were when they heard that the Prime Minister had pledged $7 million to their broadband project. It was less than the $8.5 million they were asking for, but they were willing to do whatever was necessary to ensure that the broadband project would go ahead.

Can you imagine their dismay, just two months later, when they received news that, instead of being guaranteed funding for the broadband project, they would need to apply under the competitive arrangements of the Stronger Regions Fund. The Stronger Regions Fund was the very fund that had already knocked them back in its first round and which had led to their desperate plea to Mr Abbott in Longreach.

I should mention here that Ms Groves was quite concerned about the treatment that she had received, because she had shaken the hand of Mr Abbott, she had looked him in the eye and he had promised to deliver the $7 million for their broadband project. She was absolutely disappointed and very confused and surprised that a Prime Minister, having done so, and having visited the area, could clearly go back on a promise after a period of two months. I also need to point out that the current Prime Minister, Mr Turnbull, as communications minister, responsible for the rollout of broadband, was already part of this broken promise before he assumed the reins of this government and its failed broadband network delivery.

As a backbench senator for Queensland, I have a personal concern for rural Queensland. Since obtaining office, I have made visiting rural and regional Queensland a priority. This has made me realise the extent to which the needs of these regions are being ignored by the current federal government. When I travelled to Longreach and Barcaldine to address the Outback Queensland Tourism Awards, I was shocked by the extent to which these regions are affected by the drought. Given that the regions around Barcaldine are some of the largest cattle producing regions in Central Queensland, the drought poses a very real and significant threat to the prosperity of the region and the state as a whole. Despite some significant rainfall events in parts of Queensland, most of the 2014-15 wet season was poor, leading to 80.35 per cent of Queensland being drought declared. Because of this, graziers are destocking, small businesses are closing down and families have to leave behind their properties that have been held for generations.

My time in rural and regional communities such as Barcaldine has made me realize that services in these communities are second rate to the services provided to my constituents in the city. I do not believe that the current government is addressing this issue. Only Labor
understands that access to the National Broadband Network is essential to all Australians, no matter the location. In communities without access to NBN, an imminent concern is that overseas trained GPs in these communities may leave rural locations in Queensland, due to substandard internet access. According to the Australian Rural Doctor, overseas doctors working at Outback Medical Services in Barcaldine have been left unable to complete their online training modules because they have no internet at home. Our substandard internet in these regions is a mockery to the developed world. According to one GP at the practice, 'If this internet issue is not resolved and it stays on like this and my family is not happy, then I have to think of something else basically. We have to see other options.'

The loss of doctors will be a devastating blow to places such as Barcaldine. The people of Central Western Queensland deserve access to reliable internet on par with the cities. I have already described the travesty that occurred between the Abbott/Turnbull governments and the mayors of Barcoo and Diamantina.

Queensland farming groups are sick and tired of calling upon the Prime Minister, the former communications minister, Mr Turnbull, to implement the recommendations of the 2015 Regional Telecommunications Review. The productivity of regions in Western Queensland depends on access to internet coverage and adequate phone reception. According to a recent AGForce survey of 2016 grain farmers and sheep and cattle producers, poor mobile phone reception and internet coverage were key issues that affected the productivity of working the land.

Community television, a service that is important to regional Australia, is about to become history in another broken promise of the Abbott/Turnbull government. Despite promising before the 2013 election not to cut the ABC or the SBS, they have already lost $43.5 million dollars. Community television will be forced off the air at the end of 2015 and will instead apparently be available to view on the internet. But, without the internet, no rural regions will be able to access it.

It is important that in order to unlock the economic and social potential these regions bring to the state, and to the nation as a whole, we need to address the lack of adequate communications infrastructure. The Abbott/Turnbull government, led by a coalition of Liberals and those who apparently represent regional Australia, the Nationals, has been nothing but a catastrophe for the development of policies that advance the interests of rural and regional Australia. Labor stands ready to fix the mess left by the disastrous policies and cuts supported by the Abbott/Turnbull led coalition.

2030 Agenda for Sustainable Development

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (20:25): This evening I rise to put on the record my wholehearted support for the ambitious and worthy Sustainable Development Goals, officially referred to as 'Transforming our World: the 2030 Agenda for Sustainable Development.' Together, these goals, which put forward 169 targets grouped into 17 broad areas, provide a framework for a global commitment to reducing poverty, increasing well-being and working to protect the long-term health of the planet.

The final document outlining the goals was adopted at the UN Sustainable Development Summit that was held in New York in September. Unlike the Millennium Development
Goals, which preceded them, the Sustainable Development Goals will apply to all countries, including Australia, and Australia must play its part.

Today, I would specifically like to discuss Sustainable Development Goal number 3, which aims to:

Ensure healthy lives and promote well-being for all at all ages.

The World Health Organization has identified that more than 20 million children are under-vaccinated and thus at risk of being infected by entirely preventable diseases. For this reason, I would like to reiterate what an important role immunisation must play in achieving a number of the targets that sit under the healthy lives Sustainable Development Goal. Specifically, I would like to acknowledge the excellent work of the Global Alliance on Vaccines and Immunisation, GAVI, and the role they are playing in addressing this global issue.

The GAVI Alliance is a public-private global health partnership single-mindedly focused on saving lives. The mission of GAVI is to save children's lives and protect people's health by increasing access to immunisation in the world's poorest countries. Its enormous buying capacity reduces the cost of the vaccines, allowing GAVI to provide 500 million vaccinations across 73 countries in 15 years. In the process it has saved the lives of seven million children in many countries, including countries in our region like Indonesia, Papua New Guinea, Vietnam, the Solomon Islands and Myanmar. These are enormous numbers, and it is hard get a real grasp of the incredible scale of these achievements.

The human reality behind these huge numbers was really brought home to me in a 2012 visit to Myanmar. Here I saw first-hand the excellent work of GAVI. In Nay Pyi Taw I attended the GAVI Alliance and Myanmar Ministry of Health launch ceremony for the pentavalent and measles second dose vaccines. With one injection, the pentavalent vaccine provides children with protection against five deadly but preventable diseases: diphtheria, whooping cough, hepatitis B, tetanus, and meningitis. It was heartening at this launch to meet parents and their children who had travelled from the regions surrounding Nay Pyi Taw to get their children vaccinated. Amongst hundreds of babies I found a six month old set of twins waiting for their vaccinations, and I knew that these twins would have a better chance of a life free of disease as a result of their experience that day.

This experience highlights the need for Australia to continue to invest, through our overseas development assistance program, in health system strengthening across the developing world. Australia has been a strong supporter of Gavi since 2006. The former Labor government contributed $250 million in direct funding to the Gavi alliance between 2011 and 2015. To its credit, the current government last year renewed the funding with a commitment to contribute a further $250 million. While this is clearly a cut in real terms, I do acknowledge the government's contribution. However, while the foreign minister, Julie Bishop, has voiced her personal support for the alliance, I am still concerned that the ongoing and savage cuts to foreign aid funding may yet impact on their work. We have already seen the government go back on its previous commitments on Australia's foreign aid targets, and this simply cannot happen to Gavi.

This evening, I would like to call on the Turnbull government not to drop the ball on supporting Sustainable Development Goal No. 3 and to quarantine Gavi from any future cuts to foreign aid. When Labor were in government, we maintained a commitment to increase
Australia's development assistance to 0.5 per cent of gross national income. This was a bipartisan target right up to the 2013 election. Of course, we now know that the Abbott-Turnbull government has ripped a staggering $11.3 billion from our aid program. That includes a $200 million cut from some of the poorest countries in Africa—a massive 70 per cent drop in the last budget alone. Prime Minister Malcolm Turnbull now presides over a government which has slashed Australia's foreign contribution to an anaemic 0.22 per cent of gross national income. That is a meagre 22c in every $100.

In 2013, those opposite announced a reduction in funds to The Global Fund to fight AIDS, TB and malaria. Last year, the Australian contribution to The Global Fund was at the historic high of $100 million. Instead of increasing our contribution to the expected $125 million per year, the Liberals slashed it to half that—around $67 million per year. The cut is despite countries on our doorstep continuing to battle against the three pandemics, with 21 per cent of the fund's grants being directed to Asia and the Pacific. This history is why I am concerned. This is why I would like to implore the Turnbull government today to continue to appropriately finance the important work of Gavi. We need to quarantine the programs that are working the best, and Gavi is exactly this sort of program.

Since 2000, Gavi has supported over 240 million additional children who might not otherwise have had access to vaccines and prevented over 4 million future deaths. Australia has played an important role in supporting the critical work of Gavi and saving lives by significantly scaling up its contribution to the fund in recent years. This has assisted Gavi in rolling out access to the HPV vaccine, which will be of significant benefit to women in developing nations who do not have access to pap smear screening programs for cervical cancers caused by HPV.

There is also another way that the government can add to the work that Gavi is doing. The Gavi alliance has much to be proud of, and the work they have done is literally world changing. But there is a significant challenge they are currently facing, and that is to keep vaccines cool enough to ensure that they work. Gavi has identified that poor vaccine delivery methods contribute to 1½ million child deaths. Nearly all vaccines need to be consistently maintained at between two and eight degrees. Of course, this presents significant logistical challenges in maintaining what is called a 'cold chain' to ensure the vaccines are maintained at safe temperatures from their origin to their final destination. Gavi has identified a significant need to improve these cold chain systems and equipment, and they have identified that Australia could play a significant role in supporting this goal.

Wherever possible, the government should be looking to invest in infrastructure that would improve the cold chain to support the delivery of more vaccines to rural and remote communities. The government should be actively looking for areas in our current region to support Gavi's move toward the creation of more cold chains so that life-saving immunisation can reach more children in rural and remote areas. I would encourage the government to review its current health programs in this light and look for opportunities to back up the Gavi's work by supporting investment in more cold chain infrastructure. Of course, this must be in addition to the core funding for Gavi, which cannot and must not be compromised.
Australia India Leadership Dialogue

Tuberculosis

Senator SINGH (Tasmania) (20:34): I rise tonight to share my recent visit to India where, with my colleagues Chris Bowen, Penny Wong and Gai Brodtmann, I attended the inaugural Australia India Leadership Dialogue in New Delhi as part of a high-level delegation which included cabinet ministers, bureaucrats, members of parliament and people from business, industry, education and media to discuss future prospects for the Australia-India relationship and how it can be further strengthened. Whilst the dialogue's discussions covered a host of issues, members of parliament from both countries, including Ministers Robb and Brandis, as well as Minister Sinha, the Minister of State for Finance in Prime Minister Modi's government, agreed there is strong bipartisan support for stronger Australia-India relations into the future.

My experience at the dialogue confirmed that there are many shared interests between Australia and India in the Indo-Pacific and strong and enduring people-to-people links. There is also a wealth of opportunity in the Indian government's commitment to tackling climate change and increasing renewable energy, and enormous potential for our relationship to strengthen in renewable technologies and other climate projects. I want to thank the Australia India Institute, particularly its honorary director, Amitabh Mattoo, and director, Craig Jeffrey, for all their work in delivering such an interesting and informative dialogue.

I was also fortunate to visit Mumbai and extend my work on behalf of the Asia Pacific TB Caucus. The caucus, formed recently in August in Sydney, is a gathering of regional parliamentarians who have vowed to take action both collectively and individually to drive progress against tuberculosis by working with national parliaments, as well as regional and global organisations, to build support for necessary policies and to mobilise resources to more effectively tackle this disease.

Target 6.C of the Millennium Development Goals aims to halt and begin to reverse the incidence of TB by the end of this year. There have been some remarkable achievements over the past decade. Since 2000, TB treatment has saved nearly 37 million lives, and the UN is backing up target 6.C with its Sustainable Development Goal 3.3 to end the epidemic of TB by 2030. But prevalence and mortality rates are falling very slowly. At current rates the TB epidemic will be controlled by 2180 at the earliest. India has an estimated two million cases annually—the highest in the world—with 300,000 people dying each year, according to the World Health Organization.

Whilst in Mumbai I visited Dharavi, reputedly the world's largest slum with an estimated population between 700,000 and one million people, with hardworking representatives from the Society for Nutrition, Education and Health Action, or SNEHA. SNEHA is a secular NGO dedicated to investing in women's health as an essential element to building liveable urban communities by targeting four large public health areas: maternal and newborn health, child health and nutrition, sexual and reproductive health, and prevention of violence against women and children. I also was able to visit the Shivaji Nagar slum communities around the Deonar dumping ground, Mumbai's oldest and largest rubbish disposal area, alongside the dedicated employees from Apnalaya, another NGO founded some 42 years ago by former Australian Consul-General Tom Holland. I visited a childcare centre there that has been formed to provide learning services to children living at Rafi Nagar in Govandi. The work of
Apnalaya is supported through a direct aid program from the Australian Consulate-General in Mumbai. I inspected a water shop there that provides clean drinking water thanks to the efforts of Apnalaya, Rotary International and the Eureka Forbes International Institute of Environment.

Wherever I went, I saw life and a community doing their best to survive and provide for one another. During discussions with SNEHA about disease prevention and vaccinations, it was clear that there are still suspicions for some communities on cultural, religious or tribal grounds that still have to be overcome. However, those suspicions may be satisfied with the assistance of Indian film icon Mr Amitabh Bachchan, whom I had the incredible good fortune to be introduced to by the Australian Consul-General, Mark Pierce, at Mr Bachchan's home residence in Mumbai—an incredible highlight of my trip. During my discussions with him I outlined the plans by parliamentarians to mobilise support for the eradication of TB and drew attention to programs against TB in the Asia-Pacific, as well as to the work of the Global Fund to fight AIDS, Tuberculosis and Malaria. Mr Bachchan knows too well the detrimental effect of contracting TB as he himself is a TB survivor, having endured eight months of treatment for TB at the base of his spine.

There is a common assumption made that TB is a disease largely confined to poorer areas. That is simply not the case, and Mr Bachchan's survivor testimony is especially important in focusing the attention to a wider audience on the threats posed by TB. His own experience has driven him to get involved in antiTB campaigns being extended from the state of Maharashtra to cover the entire country through messages on posters and in television commercials and, with the assistance of the US embassy, generating support and funding from the Indian business community. Mr Bachchan noted how critical it is to ensure full public backing from international organisations. UNICEF had been especially important in this respect to the successful antipolio campaign that Mr Bachchan supported as a UNICEF ambassador and that has led to the eradication of polio in India—an incredible feat. Towards the end of our discussion, Mr Bachchan very kindly offered his support for antiTB campaigns in our Asia-Pacific region, saying he was more than ready to bring his two big assets to bear in a campaign: his face and his voice. It is likely we will need his help because TB is a clear and present danger to population health in our closest regional neighbours of Papua New Guinea and Indonesia.

According to the *Global tuberculosis report 2015*, recently released by the World Health Organization, revised estimates for Indonesia of one million new cases a year—double the previous estimate—have caused a severe upward spike to the WHO's global estimates of incident cases compared with those published in 2014. Indonesia now unhappily claims the ownership of 10 per cent of the global total of TB cases.

On behalf of aid and development focused NGOs, like RESULTS Australia, the Global Poverty Project, Micah Challenge and the Oaktree Foundation, I will keep raising the importance of the Australian government fully committing to aid and development funding in this area. Such a commitment will enable diseases in our region, like TB, to be reduced and will allow research on a vaccine to continue so that Sustainable Development Goal No. 3.3 can be achieved and TB, like polio, can be eradicated. That is why the work of the Global Fund in fighting TB in developing countries, including some of Australia's nearest neighbours, is so important. That is why the Australian government's replenishment...
commitments are so important and why I will continue to urge the government commit to funding the Global Fund.

I look forward to continuing to work with organisations such as UNICEF Australia and RESULTS Australia as part of the Asia Pacific TB Caucus in the vanguard of the regional fight against tuberculosis. There is indeed still so much work to do. Finally, on the eve of Diwali, or Deepavali, the Festival of Lights, I wish all who celebrate the Festival of Lights—good over evil; light over darkness—a Shubh Diwali and happiness into the future.

Trade

Senator XENOPHON (South Australia) (20:44): Tonight I want to speak about the latest free trade deal done by the government and ask the question: why are we, as a nation, not asking the tough questions about these deals? In the past decade, Australia has signed more than 10 FTAs. In the past two years the current government has signed deals with Japan, South Korea and now China, with ChAFTA. ChAFTA was passed by the Senate last night and is expected to come into force before the end of the year.

As most people acknowledge, these deals create winners and losers. Often, they are only as good as the negotiators you have in your corner and the political will of the government involved. But the question we should be asking is: is this deal better for the nation as a whole? After more than 10 years, the evidence is mounting that Australia is not winning in its strategy of pursuing bilateral trade agreements and that the national interest is not always being served. Figures from the Australian Bureau of Statistics show that Australia actually loses ground with partner countries once these deals are done. A detailed analysis reveals that the pattern is clear: two-way trade becomes more volatile, and increases in imports from partner countries outstrip exports from Australia. For example, our agreement with Thailand was signed in 2005 when imports from that country were roughly $5 billion. As at June 2013 imports had grown to $15 billion. In comparison, in that time, exports from Australia to Thailand grew from about $3 billion to only $6 billion.

How does this happen? It happens because we put too much faith in trade deals and are, too often, taken for mugs. For example, shortly after the Thailand deal was signed that country implemented a non-tariff trade barrier that made the price of an Australian-made Ford Territory in Thailand well over $100,000—a $57,000 Ford Territory costs well over $100,000 and that was before the exchange rate deteriorated, so now the price differential would be even greater. It is a similar story for other partner countries. The Singapore deal was signed in 2003 and between then and 2013 imports from Singapore to Australia rose from $7 billion to $19 billion, outstripping exports from Australia, which rose from $4 billion to $10 billion. The Chile deal, which was signed from 2009, has seen imports from Chile go up from $900 million to $1.5 billion, while exports from Australia to Chile have remained stagnant at $500 million.

This year, adding to this evidence, were findings by Australian National University trade expert Shiro Armstrong, the co-director of the Australia-Japan Research Centre at the Crawford School of Public Policy. In an in-depth study of 10 years of the biggest of our trade deals, the US-Australia free trade agreement, Dr Armstrong concluded that the agreement did not increase trade between Australia and the US and actually reduced trade with the rest of the world by $53 billion, through what is known as ‘trade diversion’. Dr Armstrong said:

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CHAMBER
Deals that are struck in haste for primarily political reasons carry risk of substantial economic damage. This finding should not have come as a surprise. It backs up what the Productivity Commission has said, consistently, since 2010 about these deals—that there is little or no evidence that they are broadly in the national interest. The Productivity Commission reiterated its concerns that bilateral trade deals distort trade flows, diverting trade away from cheaper sources and towards the partner country, and makes trade with partner countries more complicated, expensive and onerous. The Productivity Commission also criticised the secrecy of FTA negotiations and called for ‘rigorous assessments’ of FTAs before they are signed by governments. On 24 June 2015 the Productivity Commission released its Trade & assistance review 2013-14, which stated:

The emerging and growing potential for trade preferences to impose net costs on the community presents a compelling case for the final text of an agreement to be rigorously analysed before signing.

As evidence at a July 2015 hearing of the Treaties Committee by a Department of Foreign Affairs and Trade official revealed, the government carries out no follow-up analysis to check our trade performance against the glowing predictions made beforehand.

Taken altogether, it is clear that bilateral preferential trade deals are not broadly in the national interest. That we keep on signing them reminds me of a definition of insanity said to be attributed to Albert Einstein. He is reported to have said that the definition of insanity is repeating the same thing over and over again and expecting to get a different outcome. This government’s devotion to signing two-way trade pacts is bordering on madness. It comes from an almost fundamentalist devotion to a literalist interpretation of free trade. When we have the Productivity Commission—not known for protectionist credentials—expressing serious concerns we should listen to them. We have become known in the halls of international trade as a ‘free trade Taliban’. It is an insult delivered while our backs are turned, by countries that see us for mugs. Time and again, we enter these free trade negotiations and, again and again, we stand on the high moral ground and trade away our sovereign rights to act in our own national interest.

In the face of this mounting evidence, the government has steamed ahead and signed three more FTAs in the past year. When the China-Australia Free Trade Agreement was announced amid great fanfare, here in Canberra back in June, it was hailed as the best deal yet. But it soon emerged that ChAFTA contained measures that, for the first time, would allow foreign workers to come into Australia to work in a huge range of roles without the need for labour-market testing. As a leading legal expert in temporary labour migration, Dr Joanna Howe of the University of Adelaide’s law school has pointed out that these labour market testing provisions are ‘not controversial’ in other developed countries—like Britain, Canada, Ireland and Austria—to ‘ensure that local workers have preferential access to jobs’. A stand-off between the government and the opposition stretched out for many weeks, ending with a deal that, I have to admit, strengthened the agreement on several points. But it didn’t go far enough.

I am deeply concerned that, according to Dr Howe, there remain gaping holes through which Chinese firms can bring in guest workers under 457 visas for four years, or as installers and servicers for up to three months, without any labour-market testing required. I believe ChAFTA can and should be improved, under future governments, but, in the long run, this is
just another chapter in Australia's history of signing free trade deals without due and proper consideration of the national interest.

The next chapter will, no doubt, be the Trans-Pacific Partnership, the TPP, the text for which was released recently, for the first time—amazingly, only after it was agreed by all the partner countries, after five years of secret negotiations. Like ChAFTA, it contains an investor-state dispute resolution clause, which will give overseas firms the ability to sue Australian governments for setting policies that damage their bottom lines.

Intellectual property experts, academics and environmental groups have said the ISDS clause exposes Australian governments to billion-dollar battles in unaccountable international tribunals. It has been put to me that, if a government introduced poker machine legislation to protect consumers, an overseas poker machine manufacturer could end up suing that government for doing what was clearly in the public interest.

ISDSs are an attack on our sovereignty as a nation—a huge backward step that was never taken by the Howard government. Public health experts have warned the provisions for innovative biologic medicine are 'worryingly ambiguous and unclear', paving the way for more pressure from the US to keep affordable medicines off the market for up to eight years. They say the deal could make some drugs more expensive by making it possible for pharmaceutical giants to delay handing over clinical trial data to generic drug manufacturers.

More broadly though, the TPP cannot be described as a free trade deal at all. As ABC News's business editor, Ian Verrender, explained in an opinion piece on The Drum:

The Trans-Pacific Partnership is more about protectionism than trade …

Driven by the United States, what measures were devoted to trade overwhelmingly were focused on exactly the opposite; extending monopoly powers of American corporations and maintaining tariffs and quotas for US farmers unable to compete in a free trade world.

The government should heed the mounting evidence that these deals run counter to the national interest. It should give the Productivity Commission a formal role in conducting, openly, a cost-benefit analysis of possible FTAs in advance of entering negotiations. It should open negotiations to more transparency and provide a role for the parliament in amending texts rather than being treated as a rubber stamp.

I also disagree with the government's position of using $25 million of taxpayers' funds to spruik the three North Asia FTAs, trying to convince the public it was in their interests. That is why I made a formal complaint to the Auditor-General. These are important issues that need to be debated in the public and national interest.

**Broadband**

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (20:54): Just a stone's throw from my office in Kingston, in the municipality of Kingborough, is the coastal suburb of Howden. It is important to remember through this speech that Howden is about 15 minutes from the CBD of Hobart. According to the latest census, Howden has a population of 658. The main public facilities in the town are the fire station, home to the local volunteer fire brigade, and behind it a small community hall, owned by the Howden Progress Association.

Just last month, that hall was the venue for a meeting between local residents, me and the shadow minister for communications, Jason Clare. Residents packed into the hall to air their frustrations about the quality, or lack thereof, of internet access. To give you an idea of what
they are experiencing, I will read some of the comments from that meeting that were published in the local newspaper, the *Kingborough Chronicle*: 'As a family of six, our biggest issue with living in Howden is the woeful internet access preventing our children from being able to do their homework.' And from another resident: 'Our slow and often unreliable internet made it difficult for me to do tasks online for university work while I was writing my thesis via distance, and working at home. We also rely on the internet to keep in touch with our families, who all live overseas, and slow connections/expensive and small bandwidth has made this considerably more difficult than it should be.' The following comment came from someone who worked as an IT infrastructure manager for a superannuation fund: 'I can’t believe the situation in Howden. I can barely work from home at the best of times and I have three children that can't realistically use the internet for homework, study, research or entertainment purposes.' And finally this comment from a business owner: 'I brought my business into Tasmania from the mainland four years ago, where I run it from my home office. We are a young family. This year, I’ve spent in excess of $20,000 launching a second online business, which is experiencing strong growth. These are geographically neutral businesses, with clients all over the world. It's pretty embarrassing to try and Skype my United Kingdom or United States clients when the internet keeps dropping out.'

The President of the Howden Progress Association told the meeting and the local media that another business owner had actually left Howden because of the situation with internet access. There was also a resident who said that her daughter had to drop out of an online university course because it was too difficult to access and complete the coursework. This resident was spending $500 a month for a service which had a download limit of 28 gigabytes and which dropped out whenever the weather was bad.

Labor initiated the National Broadband Network because we understood that, for most families and businesses, fast broadband is an essential public utility, like electricity, roads or water. We also understood that there was a situation of market failure in relying on the private sector to deliver for the broadband needs of rural and regional Australia. We recognised the importance of information and communications technology—on which all businesses and public institutions rely—for our nation's global competitiveness. And we recognised that, without making broadband a public policy issue, Australia would continue to fall further behind the rest of the world in terms of broadband speeds.

Australia is currently ranked 44th for average internet speeds, despite being one of the world's most advanced economies. Embarrassingly, we are ranked marginally behind New Zealand—and, as all Australians know, we hate being beaten by New Zealand in anything. But, as with this year's Rugby World Cup, we have suffered that indignity, because New Zealand is currently rolling out fibre-to-the-premises broadband. Under Labor's plan, we would have been beating New Zealand, just like in the cricket.

Howden is in category E for broadband availability, the worst of five categories. It is one of those 'worst served areas' that Mr Abbott and Mr Turnbull promised to prioritise in the NBN rollout. Labor had plans to have the NBN rolled out in Tasmania by the end of this year, with Howden to receive super-fast fibre to the premises, capable of speeds of up to 1,000 megabits per second. But the Turnbull government's new multi-technology mix, or MTM, has caused significant delays to the NBN rollout.
Despite two years in government, and their promise to have every home and business connected by the end of 2016, those opposite have only just started to deliver their second-rate fibre-to-the-node connections. The rollout plan for Tasmania listed Howden as having construction commence in the second half of 2016. This means the NBN in Howden would likely not be ready for service until sometime in the first half of 2017. I and the residents of Howden were eagerly awaiting nbn co's latest three-year rollout plan to see if there would be any improvement to this situation, only to find that the suburb was not even listed. I put questions to nbn co about this in Senate estimates, which have been taken on notice.

The residents of Howden have, along with millions of other Australians, been the victims of Mr Turnbull's NBN debacle. So desperate are those opposite to try and blame the former Labor government for their own failings on the NBN that they have resorted to misrepresenting advice from nbn co. Yesterday, my colleague Senator O'Neill put a question to the Minister for Communications, Senator Fifield, in question time about his misleading claims that the NBN, under Labor's plans, would cost $20 billion to $30 billion more and not be completed until 2028. The CEO of nbn co, Mr Bill Morrow, testified to the Senate Select Committee on the National Broadband Network that these estimates were based not on Labor's plans but on a hypothetical restart of an all-fibre build. The inconvenient truth for this government is that it is their MTM that has caused the delays, as you can see from this exchange in Senate estimates:

Senator CONROY: Summarising: the ink is still drying on the MIMA contracts; all the FTTN you have switched on to date has been built by Telstra who are taking no further part in the construction; you still do not know the state of the copper network; your knowledge of the HFC network assets is limited; you have identified skill shortages; you have not signed any HFC construction contracts; you do not have a single paying HFC customer; you only have a handful of paying FTTN customers; the HFC product set has not been released; and the IT systems are not complete. You believe that you can connect half of the country to the NBN in two years, but that, fortunately, is after the next election.

Mr Morrow: All of that is correct.

Despite efforts by the government to also blame Labor for the NBN's $15 billion cost blow-out, former nbn co CEO Mike Quigley has released detailed advice showing that the government's MTM is to blame for the cost blow-out. And Mr Quigley's advice has been confirmed by the current CEO, Mr Morrow, who said in a press conference that it 'mostly related to the two new technologies that we're using'—referring to the HFC cable and fibre-to-the-node rollouts. Contrary to the government's pre-election slogan of 'Fast. Affordable. Sooner.' their policies have caused the delays and cost blow-outs that now plague the project.

Last Saturday, the Howden Progress Association held a community barbecue, attended by several dozen people. They used the barbecue to promote a petition to be tabled in the Senate urging action to get the NBN rolled out to Howden as soon as possible. I understand that, as well as the attention of local media, the residents have several hundred signatures on their petition, and nbn co are taking notice. Just last Friday, I received word from the company that they have reviewed the technology used to roll the network out to Howden. NBN connections in Howden will now be delivered via fixed wireless through a capacity upgrade to an existing fixed wireless tower in Snug and a new tower in Tinderbox, which is currently going through planning approval. This work is expected to commence in the third quarter of 2016. The fixed wireless connection will give the residents of Howden access to peak download speeds of 50 megabits per second and peak upload speeds of 20 megabits per second. I understand from
nbn co that they expect this decision to speed up the rollout of the network in Howden, although I am still waiting on advice from nbn co on when they expect Howden to be ready for service. While it is too late to unscramble the MTM omelette, I will say with confidence that Howden would have had their internet woes fixed sooner had the government proceeded with Labor's NBN rollout plan. It is clear from the delays and cost blow-outs that MTM does not stand for 'multitechnology mix' but rather for 'Malcolm Turnbull's mess'.

**Political Fundraising**

**Senator MADIGAN** (Victoria) (21:04): For those who did not see *Lateline* a few weeks back, you have probably seen the footage since. In one of the more excruciating interviews of recent years, former rock star-cum-minister Peter Garrett faced questions from Emma Alberici about ALP election funding and his earlier claims that he had been handed a wad of cash at a Clubs NSW function. While, somewhat bizarrely, he now says his earlier recollection of that incident was mistaken, on *Lateline* he divulged that the ALP administers clubs, some of them pokies venues, to raise significant amounts of money for sitting politicians' election campaigns and candidates. One venue, the Randwick Labor Club in New South Wales, makes roughly $8 million a year, with $5 million coming from pokies.

While not news to many, the link between political fundraising and one of our most insidious forms of gambling—and one that frequently targets the poorest members of our communities—should shock the rest of us. A critical issue for any democratic political system is how it finances itself and how it funds the political activities of its participants and election aspirants. The instinctive response of most people is that these activities should be paid for by political parties themselves. If individuals or groups want to promote themselves or run for office, why should the cost of this be met by the taxpayer?

However, if these costs are met by political parties, consideration must be given to how they raise these funds. Our experience here in Australia demonstrates that, for the influential players in the political process, raising funds is not overly difficult. Last year the ALP and the LNP raised around $40 million each. Yet, as Mr Garrett's mea culpa on *Lateline* makes clear, it is worth questioning where this money comes from and what impact it has on the political process. This issue is fundamental to the integrity of our democracy.

While our political system has remained extraordinarily stable over a long period of time, recently there have been signs of stress. The recent change of leadership in the Liberal Party gave Australia its fifth Prime Minister in five years. What are we to make of this? One respected commentator, *The Australian* 's Paul Kelly, argued recently that the leadership instability is indicative of a political system in crisis. He considers the system broken to such an extent that it no longer has the capacity to govern in the national interest. He thinks there is a crisis of confidence among Australian voters.

Various surveys of Australians' attitude to democracy appear to confirm this. In 2014 the Lowy Institute found that less than two thirds of Australians and less than half of 18- to 29-year-olds thought democracy was 'preferable to any other form of government'. Even more worryingly, nearly a quarter of young people thought that 'in some circumstances, a non-democratic government can be preferable'. When asked why they did not see democracy as the preferable form of government, more than two fifths of these respondents said this was because 'democracy only serves the interests of a few and not the majority of society'. Clearly
we have a problem. Our parliament's legitimacy depends on it having the confidence of the Australian people.

There are obvious steps we can take to improve public confidence in the system and therefore fortify our democratic institutions. Probably the most obvious of these is to reform the regulatory framework that governs funding of our political parties. The situation described by Mr Garrett is unfortunately part of our contemporary system. It is also self-evident that this is a corrupting influence, preventing decisions from being taken in the national interest—at least, that is how it looks to the Australian people. Nor is this an affliction that bedevils just one side of politics. We have heard repeatedly over recent years of the largesse of donors to the ALP, the Liberal-Nationals parties and the Greens. What these donors expect in return is not hard to fathom. Certainly their motives are not philanthropic.

It is worth considering the way the issue is approached under corporate law, where, as is the case with politicians, company directors are expected to ignore their own personal interests when acting in the capacity of director. Occasionally situations arise when a company decision will impact personally on a director. When that happens, he or she is expected to step aside from the decision-making process. When it comes to corporate governance, the legislature and the courts have created a framework that removes the potentially corrupting influence of financial interests that may operate on directors when making a decision. With good reason, this is considered the best way to ensure that directors act in the interests of the company. Just as importantly, this rule promotes confidence among shareholders in their company directors, protecting against perceptions of bias.

The integrity of our boardrooms is important, the integrity of our elected officials more so. When parliament last sat I moved a motion for the Joint Standing Committee on Electoral Matters to inquire into the issue of election funding. This was co-sponsored by Senators Xenophon and Rhiannon, and I thank them for their support. The ALP indicated that they would support the motion. Ultimately, the government did not oppose it, and so it passed without the need for a vote. The inquiry will consider how much political parties are receiving from private donors and what influence this is having on the political process. It will also consider the approach taken in other democracies to regulate contributions from private donors or particular types of donors, with a view to their application here. No doubt the inquiry will be uncomfortable at times for the major parties, if the information divulged by Mr Garrett recently is anything to go by. But that is certainly not the point. The point is to effect real change in our political system to remove the unhealthy influence of big donors, among other things.

This has been tried previously. The last inquiry into these issues was only a few years back. Ultimately it achieved very little. There is a risk that history will repeat itself. This is certainly what the vested interests of corporate Australia, some unions and some activist groups would like to see. Indeed, many parliamentarians are loath to give up the honey pot on offer from their donors, happy to go on enjoying the lavish functions and hefty contributions to their campaign war chests. They may well see the continuation of the status quo to be in their interests. This is clearly in the interests of their donors, who would hate to see their access to and influence on the political process diminish or disappear. But it is sure as hell not in the national interest. That much is plain, and I can only ask that this remain at the forefront of the committee's mind as it undertakes its inquiry.
Mazzola, Mr Italo

Senator FIERRAVANTI-WELLS (New South Wales—Assistant Minister for Multicultural Affairs) (21:12): This evening I want to pay tribute to the late Italo Mazzola. On 6 November the Italian-Australian community in Wollongong gathered to say goodbye to our friend Italo Mazzola. After some very moving words by Luca Ferrari, the Italian vice-consul, who paid tribute to Italo and his involvement in the community, I was able to say some words about Italo and his great contribution to Australia multicultural life in Wollongong and generally.

Italo was born on 9 September 1930 in Castelfidardo, in the province of Ancona, in Italy. He migrated to Australia in 1949 at the young age of 19 years, leaving Italy as soon as he finished his liceo classico. As soon as Italo arrived in Australia, like most immigrants he began working in the steelworks at Port Kembla. Italo continued his studies here in Australia and completed a bachelor's degree in literature. Italo had ambitions from a young age to open his own business and was granted a loan from the Commonwealth Bank to purchase his first mixed business in Addison Avenue, Lake Illawarra. Italo repaid his debt to the bank in just one year, and this was the beginning of an entrepreneurial career. It was the first of his many business ventures.

I first met Italo in the early 1980s when I became assistant secretary for the fledgling Marco Polo Association. Our dream was to build a nursing home in the Illawarra for our elderly Italians. I joined the committee and went on to be one of the founding board members of the joint venture between the Italian community and the Uniting Church. There were eight founding board directors—four from Marco Polo, including Italo and myself, Turo Chiodo and Wally Boscoscurio, and four from the Uniting Church. It was indeed fitting that Italo passed away at the nursing home that he worked so hard to establish.

Italo committed his life to community service across many different activities. In June 2012 he was made a Member in the General Division of the Order of Australia in the Queen's Birthday Honours list. I would like to share the citation with you.

For service to the community through executive roles with residential aged care service providers, to multicultural organisations, and as a supporter of the Catholic Diocese of Wollongong.

Chairman, Marco Polo Aged Care Services (formerly Unanderra Care Services); instrumental in the formation of the organisation in the 1980s.

Board Member, Multicultural Village Hostel, since the 1990s.

Director, Multicultural Village, Warrawong.

Secretary/Treasurer, Dante Alighieri Society, Wollongong, for more than 10 years—

He had been a member, since the 1970s—

President, Italian Special Branch, Liberal Party of Australia, since 2008; Secretary, 2002-2008.

Has supported the Old Books Alumni Bookshop at Wollongong University through direct donations and the Catholic Diocese of Wollongong through contributions to various parishes.

Indeed, the citation only really reflected a small part of what Italo had achieved over his many years.

Italo's heart was always with the Federation of the Marchigianni of New South Wales, which he founded. This group enabled the Italian community from the Marche region of Italy
to connect with their region and, at times, permitted them to return to Italy to promote their region here in Australia.

Italo and the association sponsored many activities, including a performance at the Holy Spirit College, where Year 10 students were treated to classical music produced by a leading Italian classical guitarist, who himself had been a graduate of the Conservatorium of Music of Santa Cecilia in Rome. Italo, through sponsorships, assisted in so many different ways. He was also involved with the University of Wollongong Alumni Campus Chapter. The hardworking volunteers operate the Alumni Bookshop to raise money for scholarships and prizes for University of Wollongong students. Italo was also involved with Multicultural Aged Care Illawarra, St Vincent de Paul and, of course, the Marco Polo retirement village.

He was a very generous man who used his wealth to assist many different causes, often seeking little or no recognition. On 19 April 2008 the statue of Pope John Paul, which was donated to St Mary's Cathedral by the Italian-Australian community and donors in 2006, the year of the 23rd World Youth Day, was dedicated. The inscription on the plaque acknowledges the generous donors, led by Italo Mazzola. Italo donated regularly to help with its maintenance. It was a testament to his strong faith and Christian beliefs.

Italo supported the Mamma Lena & Dino Gustin Foundation, for which he was awarded a Heart of Mamma Lena medal for his tireless work in assisting the Italian community in Wollongong. He was involved with Dame Missionarie della Consolata. Thanks to Italo, they were able to build a school for 300 children and build an aqueduct to supply fresh water, in Mokululu, in Kenya. In addition to sponsoring many Italian not-for-profit organisations in Sydney and the Illawarra, Italo sponsored three children from Africa in the hope of giving them a better life.

Italo was also a longstanding member of the Liberal Party. He had been a member of the New South Wales Italian Special Branch for 33 years. The branch is one of the oldest in the New South Wales Division of the Liberal Party. During this time, he held various positions over many years, including as its president, treasurer and secretary. He was also a delegate to our state council for many years, travelling to Sydney and other parts of New South Wales for meetings. In short, he was the mainstay of the branch for many years.

I joined the Liberal Party in the early 1990s and have been a member of the Italian Special Branch since that time. Italo was always ready and willing to undertake whatever tasks were required. He could always be relied upon to do what was asked of him. Italo was not just one of my strongest supporters, he was a friend to me and my family.

Italo will be remembered by many for his generosity and willingness to always lend a supporting hand. He was a man whose legacy will be remembered for many years. The death of his sister Maria Pia, only weeks ago, was a bitter blow and one from which he did not recover. I visited him on the afternoon he passed away. Indeed, I was one of the last people to see him alive. I spoke to him. He opened his eyes and I do hope that he recognised me. I was so glad I was able to say goodbye to him and to thank him for all his support of me over so many years. I am sure that God will reward him in heaven for his generosity and good deeds on earth.

He had his close friends and carers, Stella, Mario and Sofia. Italo was like family to them and he will be very much missed by them. The Mazzola family was represented by his
nephew, Nino Mazzola, who had travelled from Italy and who, unfortunately, had to face two very sad trips in a few weeks as a consequence of the loss of both his aunt and his uncle. Italo travelled to Italy frequently, and he will now travel to Italy for his last journey. I am sure that God will accompany him.

Italo will be remembered by many people, both here and in Italy, who I am sure thank God very much for his friendship and having known Italo. Vale, Italo Mazzola AM.

Waters, Mr David

Senator LEYONHJELM (New South Wales) (21:21): David Waters is among Australia’s top sporting shooters. He does not shoot in Olympic or Commonwealth Games disciplines, but if he did I have no doubt he would be a medal contender. In the disciplines in which he competes he has won many competitions and medals, both domestically and internationally. David is also the first and still the only ‘distinguished rifleman’ outside the USA. Many have tried, and continue to try, but cannot achieve this tremendous and difficult award.

I have known David for over a decade. He is not a friend in the social sense, but we are in periodic contact. He is a fellow sporting shooter. I have never paid much attention to David’s employment situation. I knew he had a job with Goodyear, which he said he enjoyed. I also knew he regularly visited the United States for shooting events, sometimes representing Australia, and while there would visit the corporate headquarters. Now, Goodyear Australia has fired him because he is a sporting shooter.

On the morning of 10 July 2015, while at work, David agreed to meet a member of a rifle club similar to his own. The visitor, Liz, a 59-year-old woman, is a keen shooter looking to excel in her sport. Liz had called to see if David would be at the range on Saturday as she needed advice on fitting an accessory for her new target rifle which she wanted to use the following weekend. David is often consulted by less experienced shooters who turn to him for advice. However, he was leaving for overseas in a couple of days to participate in a world championship—held every four years. David suggested that the only way Liz could see him was during his lunch break at work.

Liz agreed and drove into the basement carpark that Goodyear shares with several other businesses in the building. She pulled into an area that was mostly empty. Visitors have been allowed to park here for a long time. David was expecting her to turn up with the new fitting only. However, she had also brought the rifle to which it was to be fixed. Until she took it out of her car, David did not know she had the rifle with her. This is an expensive target rifle, highly prized by competitive target shooters. Liz is a responsible shooter and, therefore, the bolt and magazine had been removed and the rifle was obviously not loaded. At no point did the rifle present a risk to anyone; indeed, it was effectively an inert steel tube.

Unsure of his legal position, David nonetheless suggested to Liz that she return the rifle to the car and leave. However, within a couple of minutes the police showed up. The carpark entrance is open to the street. It is thought a passer-by must have noticed the rifle being removed from the car and called 000. Within a couple of minutes of the rifle being removed from the car boot and then returned to the boot, three police arrived. Over the next half hour or so a stream of police arrived, estimated to be 16 in total. They asked David and Liz to step back from the car, separated them and placed them under arrest. They searched Liz’s car.
The police then demanded identification from David. When he explained he had none with him, three police insisted on accompanying him upstairs to his office to retrieve it. They returned to the car park. They then asked to search David's car, to which he agreed. However, with his car keys upstairs they again insisted on accompanying him while he retrieved them. David was not charged, for the obvious reason that he had committed no offence. Liz was not charged in relation to the rifle, for the same reason. She was charged over a technical breach regarding transport of ammunition, but I do not believe she will be convicted. Not surprisingly, some of David's work colleagues saw him being accompanied to his office by the police and drew their own conclusions. People do that.

David left on his overseas trip, shooting in a major international match in America. On his return—and still bleary with jetlag—he was instructed to attend a disciplinary hearing with an individual whose email described him as 'a Goodyear HR consultant'. In the interim, Goodyear suspended David without pay because he requested the meeting be postponed by a week to enable me to attend as his 'support person'. I attended the hearing with David. Those present were Trent Hudson, Goodyear's HR Consultant, and Anil Singh, Finance Director and David's immediate boss. Mr Hudson did most of the talking, adopting a condescending and patronising manner towards both of us—perhaps it is a Goodyear policy, or perhaps just Mr Hudson's idea of how a HR consultant should behave. I do not like being patronised by someone who is not only manifestly out of his depth but also would not know one end of a rifle from the other. His inability to explain, let alone justify, the assumptions behind his assertions was remarkable. Indeed, Mr Hudson's HR professionalism and competence would be considered sub-standard under any circumstances I can think of.

Needless to say, the 'hearing' was a farce. Logic and facts were irrelevant. From the first word spoken, it was apparent that natural justice was a foreign concept. The decision to dismiss David had clearly been made prior to the meeting. After an hour or so, David was summarily sacked—with no compensation, no notice or notice in lieu—on the grounds that his conduct had had 'significant reputational impact' on the company.

The letter that followed, confirming David's dismissal, sets out the injustice in detail. It said he had breached company policy by allowing firearms and ammunition on company property. Leaving aside whether a shared carpark is indeed company property, this assumes David was responsible for the rifle being on the property despite him having no prior knowledge that it would be in Liz's car. Mr Hudson agreed it was not Goodyear policy for the vehicles of visitors to the car park to be searched prior to admission but could not explain how David had 'allowed' the firearm on to the premises.

The letter said David had breached Goodyear Australia's 'Standards and Conduct Manual' but did not specify what the breach was. It said he breached the 'Protect Our Good Name' conduct manual, again without specifying how. Fairly obviously, if there is any reputational damage in this case it stems entirely from the police overreaction and Goodyear's panic-stricken response. Nothing David did was detrimental to Goodyear's reputation. The letter said David had 'failed to ensure the safety and security of fellow associates, building tenants and Goodyear assets'. It did not explain how safety and security were jeopardised, how David was responsible for this by virtue of allowing someone into a shared car park or how he was supposed to take steps to ensure the safety of anyone while he was under arrest. It said he was responsible for conduct that resulted in a complaint and formal warning against Goodyear by
the building owner. Assuming such complaint and warning were actually made—and a request for a copy of the complaint was refused—it is inconceivable the lease would include grounds for complaint under circumstances where neither David nor Goodyear were responsible for what occurred. Indeed, a subsequent email from the building owners indicates no such warning or penalty is known to them. The attitude of the managing agent is not known.

The letter said David was responsible for conduct that had resulted in a financial penalty against Goodyear by the building owner. This is almost certainly an outright lie. It is inconceivable that Goodyear would accept such a penalty without challenge. The letter said David had failed to ensure the protection and enhancement of Goodyear's image and reputation. How this has supposedly occurred, and what David could have done to avoid this, is obviously not explained. It said David's behaviour was 'inconsistent with Goodyear values and standards, including the code of conduct'. Once again, there is no explanation of what he has done to justify this accusation. It said there was a 'breach of trust in the employment relationship'—again, without explanation. David has been employed by Goodyear for 12 years. In summary, it said: 'Your actions placed Goodyear in a position whereby it was in breach of its obligation to provide a safe and secure working environment for its associates.'

As before, there is no explanation of precisely what David did or did not do to warrant this accusation. There was no threat to the safety of anyone, including Goodyear employees. The mere presence of a rifle does not constitute a threat—and, in any case, is trivial in the presence of at least 16 police, each of whom carries a firearm.

There are two major injustices here. First, the police overreacted in an alarming manner. This is a matter for separate complaint. If the police cannot distinguish between a genuine threat involving firearms and innocent people going about their lawful, legitimate business, they can expect to be publicly criticised. The second injustice is that David was first suspended without pay and then fired as a result of something over which he had no responsibility and which should never have attracted attention in the first place. We Australians are rightly proud of our Olympic Games, Commonwealth Games and world championship shooters and the medals they regularly bring home. Unfortunately, it seems the rest of the time they are, like Australia's shooting community more widely, treated as presumptive criminals. It has to stop.

David has taken action against Goodyear in the Fair Work Commission. Already, Goodyear has refused to negotiate in the conciliation phase. So it is now proceeding to arbitration. I will not comment further except to indicate that I am willing to be a witness in his support, if it helps. But, perhaps, more importantly, Goodyear will also be judged in the court of public opinion. Any Australian with a sense of justice would be appalled at what happened to David. Any Australian with an interest in serious sport would be aghast that one of our champions could lose his job for no reason other than blind prejudice. As news of this injustice will inevitably become widely known, Goodyear will learn that there are consequences for its treatment of David. Australia's sporting shooters will come to know about Goodyear and its treatment of David. I will see to it. Virtually all of Australia's 800,000 licensed firearm owners drive cars for which they require tyres. Virtually all of those licensed firearm owners have friends and relatives who also drive cars requiring tyres. Virtually any Australian who looks at what happened and says, 'That is manifestly unfair,' drives a car. If
Goodyear's Australian business suffers a serious downturn in sales due to sporting shooters choosing another brand of tyres for their vehicles, perhaps it should be Trent Hudson, in particular, plus Mr Anil Singh and Asia Pacific President of Goodyear, Chris Delaney—each complicit in David's treatment—who face a disciplinary hearing.

The message is: do not buy Goodyear or their other brand, Dunlop. There are plenty of others to choose from. Instead of standing by their sporting shooter employees, Goodyear victimise them. They should not be rewarded.

Coll, Sister Pauline Marcella

Senator MOORE (Queensland) (21:35): Sister Pauline Marcella Coll, my friend, died peacefully on 9 October this year at the age of 76, though, for many of us, she was truly ageless. Pauline was a strong advocate for social justice and an intelligent, engaging woman of faith. Pauline was born on 16 January 1939 in Maryborough Queensland, a strong country girl. She was the youngest child of John and Evelyn Coll. Her Catholic faith underpinned her family life. Pauline was educated in her early years by the Sisters of Mercy at Maryborough—the convent is still there; the sisters are not—and at Clayfield and Gympie before the family moved to Brisbane, where Pauline met the Sisters of the Good Samaritan at Wilston.

After working in the banking industry—a good job for a girl, she said—on 2 July 1959 Pauline entered the Good Samaritan Novitiate at Pennant Hills, New South Wales, and was given her name of Sister Marie Bernarde. Following the welcome changes after Vatican II, she returned to her own baptismal name, Pauline. She was professed in her sisterhood on 6 January 1962 and, as many sisters in that order did, completed her teacher training that year at St Scholastica's teachers' college, Glebe. She taught primary school in Manly and Canberra from 1963 to 1969. During those years, she completed her Bachelor of Arts. As many sisters did in those days, she did her studies externally while teaching during the day. During this time, her lifelong love for English literature was entrenched, and this was passed on to many students over the next few years.

In 1970, Pauline moved into secondary education, where she worked as a classroom teacher, deputy principal and principal. It was indeed a career service. From 1979, Pauline enjoyed a variety of ministries, including work in an intercongregational development project amongst the people of Shalvey in Western Sydney, secondary school religious education coordination, adult education at Najara in Queensland and secondary school pastoral care. After a year of clinical pastoral education at St Vincent's in Sydney and two years of school-community liaison, Pauline returned to ministry at Najara, where she was appointed director of the spirituality centre. She spent many years in this area, working as a resource for reiki and spirituality for life journey. As well as being an extremely dedicated teacher, Pauline was a dedicated student throughout her life. She worked to acquire the knowledge and skills needed in her ministry. She studied both in Australia and overseas and gained qualifications in many fields, including liturgical studies, psychodrama—which she really liked—reflexology, reiki, ecology and world education. Her commitment to environmental issues was well known and she worked for many years in that field.

From late 2004, Pauline was a driving force behind the establishment of Australian Catholic Religious Against Trafficking in Humans—a long title, but we call it ACRATH—a national organisation committed to working to eliminate human trafficking in Australia and internationally. Pauline and other interested sisters began to meet regularly from late 2004 in
response to a declaration from the Union of International Superiors General to commit to eradicating the trafficking of women and children. These meetings guided the establishment of ACRATH in 2005, with Pauline as a founding member and the inaugural chair. Sister Pauline worked with a number of organisations in the community to establish ACRATH, and representatives from more than 10 religious congregations across Australia are now part of the vibrant organisation. ACRATH is endorsed by Catholic Religious Australia, the peak body for 180 religious orders in Australia. Pauline believed that collaboration with a range of organisations and individuals was fundamental to ACRATH's foundation and its ongoing development. Pauline said:

It's collaboration that gets you somewhere … that gets the momentum going. ACRATH can truly be said to be a model of being in partnership across many women's and men's religious congregations. We knew that there was power in partnership at national and international levels, and with many other NGOs for the good of the women and children for whom we existed.

ACRATH actively campaigns against human trafficking on a number of fronts: ACRATH raises awareness of human trafficking, sharing information and building networks nationally and globally; it facilitates action to combat and prevent human rights violations related to human trafficking; it provides education on human trafficking through a variety of materials and resources; it offers direct services such as counselling, rehabilitation and reintegration programs for people who have been trafficked; and ACRATH also focuses on collaborating with government and non-government groups and individuals.

From 2005 until her death, Pauline campaigned tirelessly on each of these fronts. She found she had a natural talent for lobbying and there were few political doors which could withstand her visits. That charming, softly-spoken nun was not easily silenced or ignored, and many people in this building learned to look forward to or fear Pauline's visits, depending on the day.

Just one example of this was in 2009, when Pauline spearheaded a campaign to raise awareness about the issue of religious items being produced by child slaves and workers who were exploited. The catalyst for this had been the discovery that crucifixes sold at St Patrick's Cathedral, New York in 2007 had come from a factory employing teenagers working in dreadful sweatshop conditions in China. The crucifixes had been traced to a factory in China, where girls as young as 15 were forced to work up to 19-hour days, seven days a week to manufacture the religious items for a couple of dollars a day. The crucifix workers were reported to have no paid sick days, maternity leave, holidays or health insurance, despite the fact that these minimum conditions were mandated under China's laws. Pauline said the huge USA based Association for Christian Retail 'was found to lack basic codes of conduct and a factory-monitoring program', and that there was little to reassure American Christians that the religious products they were purchasing to celebrate their faith were not made under inhumane conditions.

Pauline pressured for increased attention to this issue in Australia. This led the National Council of Churches in Australia to pledge its support for a Christian goods standard to end worker exploitation in the production of Christian merchandise. The NCCA, the National Council of Churches, campaign requested Australia's Christian retailers to stock items made under Fairtrade, 'No Sweat Shop' label and World Fair Trade Organization schemes. These three schemes ensure basic human rights standards are adhered to in the production of
Christian related goods such as T-shirts, bible covers and crosses, as well as any papal visit merchandise. Additionally, church related organisations, such as schools, were encouraged to explore buying things like Fairtrade footballs, which are effective as an anti-child labour initiative in Pakistan. The campaign also created a website to list fairly traded Christian items. Retailers and suppliers of religious goods supported the initiative and the issue of fair trade became entrenched in this industry.

Pauline also warned that Catholics themselves needed to look more carefully at the origins of religious items they buy to ensure that they are not the products of child slave labour. Pauline said:

Unwittingly Christians may be enjoying the results of exploitation of trafficked or enslaved people—we just don't know. It is our privilege to search out and check whether the articles/goods/services we enjoy have any element of this sort of labour about them. It would be a particularly terrible irony if the religious items we used in our devotions were to have been manufactured in this way. We need to be sure that none of this material is being sold by Church organisations.

Many congregations were fearful of having Pauline's wrath upon them. Indeed, Pauline identified a problem then managed to gain the support of religious organisations, consumers, manufacturers and retailers. This demonstrates the level of determination and commitment that she brought to every campaign she was involved in.

In 2011, Pauline Coll received the inaugural Anti-Slavery Australia Freedom Award, a national award for her distinctive contribution and commitment to the fight against human trafficking, slavery and forced labour. According to her award citation, Pauline was:

… indefatigable in her personal endeavours to get human trafficking on the government and community agenda, forging effective and enduring partnerships with a range of diverse groups.

Pauline said she was 'surprised and delighted', 'proud and humbled' to receive the award. She said:

I feel humbled because it is a wonderful recognition not just for the work I have done within Australian Catholic Religious Against Trafficking in Humans, but also for all the members of this organisation both past and present.
I also feel that in the face of such a monstrous trade, … a small chink in the solid wall of such evil should be celebrated because it gives strength and hope to continue against the odds.

On 24 February 2014, Pauline was appointed a Member of the Order of Australia. This was in recognition for her exceptional and tireless work in the early years of ACRATH, and significant contributions to the Catholic Church and as an advocate for the protection of women and children, particularly in the Asia-Pacific region. Again Pauline said that she was 'amazed' and 'shocked' to receive a letter from the Governor-General's office informing her she had been nominated for the award. She said:

When I read the citation, I realised that it was mostly for my work in helping to found ACRATH.

This decided it for her.

If I accepted, then it would once again, at the highest level, bring attention to the work of attempting to eliminate trafficking in humans—and the work of so many women religious in those early years.
Pauline knew that, though the honour was in her name, it was also in recognition of everyone who worked with her, 'especially those who from the early days did the hard yards and struggled'.

She said:

It also includes all those—including the Sisters of the Good Samaritan—who in many ways supported me during those seven years of struggle, joy, pain, success and failure.

In response to the news that Pauline had been nominated for the award, there was an outpouring of support from the community. Messages reflecting a broad appreciation of the amazing work Pauline had undertaken, through ACRATH and throughout her life, came through the internet—that was something she never truly valued, really, that internet, but they came across, one saying:

Recognition has been a long time coming as has public awareness of this issue. Thank you for all the work you have done in opening eyes to the problem and agitating to get action. A well deserved award.

One message I particularly like said to Pauline:

… Your inspirational leadership of the team of Religious that together with other like minded "angels" rescued, sheltered, counseled in the non judgmental way of "The Good Samaritan" and then set about seeing Government enforced laws against trafficking, deserves this high award and much, much more. I feel privileged and honoured to have met you and witnessed how you raised awareness …

Pauline once said, regarding ACRATH, that she had:

… had a dream that such an organisation with such collaborative underpinning was needed so that those of us who helped establish it could then walk away when it was time and know that it wouldn't 'fall over'…

… continue in all sorts of new and creative ways.

Pauline did 'walk away' in the last couple of years because she felt it was time for the organisation to move on. But she will never be forgotten. A recent post on the ACRATH website stated:

ACRATH members have precious memories of Pauline’s enthusiasm and creativity which brought spirit and life to this work for justice.

Pauline challenged and inspired. Her strong sense of humour and incisive wit made the meetings—and there were many, many meetings—enjoyable as well as focused, because she just did not value waffle. She lived the principles of social justice. She was truly loved by many, and her inspiration will continue. We miss her, but she knows she continues the fight.

Federal Election: Funding
Kaye, Mr John G
Mining: Liverpool Plains

Senator RHIANNON (New South Wales) (21:49): High Court decisions are usually met with great fanfare and commentary from the major political parties. However, government and opposition MPs were very quiet when the court ruled recently that both Labor and the coalition were caught up in systemic corruption. This case stands to be a game-changer in the long campaign to clean up federal electoral funding laws. I do encourage all senators to acquaint themselves with this case. Former Newcastle lord mayor and developer, Jeff
McCloy, brought a case to the High Court in a bid to overturn New South Wales law banning developers from making political donations. He argued that the ban was at odds with the implied freedom of communication under the Constitution. However, the court agreed with the state government that communication between legislators and voters was not impeded by these donation bans. It was a win for sensible restrictions which seek to enhance the democratic process by reducing temptations for politicians to act corruptly. The ruling has far-reaching consequences for the regulation of political activity because it expanded the definition of 'corruption'. This is the great significance of this case—it's analysis of corruption itself. Prior to this case, corruption was largely seen as quid pro quo. As my colleague New South Wales Greens MP David Shoebridge put it:

In the 1970s, when Bob Askin was NSW Liberal Premier, corruption was a pretty simple affair. Those who wanted a favour from the planning authorities or the police delivered a bundle of cash and the politicians delivered.

In the 1980s the story continued, with Labor's Corrective Services Minister Rex 'Buckets' Jackson eventually going to jail because he was caught releasing those prisoners who paid him for the pleasure. This kind of corruption is where money changed hands for a specific outcome. There has always been another kind of corruption where money did not buy a specific outcome; instead, a payment or payments bought a more subtle pattern of outcomes because the recipient became dependent on the continued financial support of the donor. It is common sense that this is corruption, but, until now, it has not been recognised in the courts. The saying 'Don't bite the hand that feeds you' rings true for most people, and helps explain the state of politics in this country. The major parties have grown fat at the hands of corporate donors, and they have certainly been reluctant to bite them. The High Court has called this kind of corruption 'clientelism'. It is where, according to the High Court:

\[\ldots\text{ office holders will decide issues not on the merits or desires of constituents, but according to the wishes of those that have made large financial contributions valued by the office holder }\ldots\]

The High Court states that consistent patterns of donations:

\[\ldots\text{ compromise the expectation, fundamental to representative democracy, that public power will be exercised in the public interest.}\]

In identifying the clientelism form of corruption, the High Court has detailed what the Greens Democracy for Sale project for long has called the corrupting influence of donations, known as parent/client corruption.

The High Court recognised that this kind of corruption has validated the New South Wales law that bans certain classes of donors. It has shown that these bans are crucial to maintaining the integrity of the political system. The High Court has opened the way for expanding those bans, both within states and at the federal level.

I would argue that we have a responsibility to respond to the High Court findings. A solid starting point for the long-overdue reforms at the federal level would be the Greens donation reform bill—the Commonwealth Electoral Amendment (Donations Reform) Bill—which is currently before the Senate. The Greens bill contains amendments to the Commonwealth Electoral Act 1918 that would prohibit political donations from specific industries. The purpose of the amendments is to strengthen the integrity and accountability framework underpinning Australia's electoral system. Specifically, amendments are proposed to ban donations from property developers, tobacco industry business entities, liquor business
entities, gambling industry business entities, mineral resources or mining industry business entities and industry representative organisations whose majority members are those that I have just listed.

It is time, I would argue, that all MPs supported laws that would prohibit for-profit corporations from donating to political parties. When patronage, profits and politics come together we have a corrupted democracy. There are too many examples in Australia. MPs might hide behind the law and argue that they have done nothing illegal when they accept donations, but that does not mean that it is right or fair. MPs should represent their constituents and work for the public good.

On another matter, a valued resident of the Hunter community died last week. John G Kaye was an engaged and active member of his local community in the small township of Denman, in the Upper Hunter Valley. John was also a dedicated member of the Greens and demonstrated Greens philosophy of thinking globally and acting locally. John took on many responsibilities in his small rural community. He was an executive member of the Denman and District Development Association, a member of the Denman Chamber of Commerce and a Justice of the Peace. As a farmer, he had been the secretary and treasurer of the Denman branch of the New South Wales Farmers Association and had organised Managing Farm Safety courses, which I hear were very popular and well-attended.

For many years he was a registered rescue operator with the Denman Volunteer Rescue Association. As a teacher he was an active member of the Teachers Federation and was well-known in his community amongst students and their parents.

Sadly, he was also a cancer sufferer. As a cancer sufferer, John and his family have been involved in fundraising for Canteen, the Cancer Council and the Leukaemia Foundation.

John founded the Keep Denman Coal Mine Free Campaign in response to two coal exploration licences granted on either side of Denman township. He was also a founding member of the Denman Aberdeen Muswellbrook Scone Healthy Environment Group, which aims to improve air quality in the coal field areas of the Upper Hunter. I have worked with people who have undertaken this work in the Hunter for many years, and I congratulate all of them. And John certainly made an outstanding contribution. It certainly appears to be a daunting task, with so many open-cut mines in the Hunter. But people like John and so many of his colleagues in these organisations are taking a stand for clean air.

John represented his local district at regional meetings and events, working towards a just transition away from coal towards renewable energy and sustainable employment opportunities in the Hunter region. John joined the Greens because of his deep concern about the impacts of climate change. He ran as a New South Wales Greens candidate for the Upper Hunter electorate during the New South Wales state election in March this year. Even though his health was already declining he ran a very active and engaged campaign, spreading the Greens message for a cleaner healthier environment and a sustainable future for ongoing generations. John died peacefully on Sunday, 8 November. He suffered from a rare blood cancer. He is survived by his wife, Kathleen, and three children. He will be sorely missed as a champion of the Upper Hunter. On behalf of the Greens I extend my condolences to John's family.
On another matter, it was a weekend of hospitality and inspiration at the Harvest Festival on the Liverpool Plains. I joined about 750 people to amplify our call that the Shenhua mine proposed for this area should not go ahead. With people travelling from across the country for this unique event, we can certainly say that the campaign to save Liverpool Plains is truly national and broad-based. That is not surprising when you look at the damage that would occur if this mine went ahead—the ruin of this valuable food bowl, such fertile land. The water aquifers that feed this land would be broken, and, with the damage to Aboriginal sacred sites, it is simply unbelievable that it is even proposed. The message from so many of the farmers I spoke to, and from former MP for New England Tony Windsor, when he addressed one of the packed forums at the festival, was that it must be the local Gomeroi people who lead this campaign.

At the workshop with local Indigenous people we were shocked to hear Dolly Talbott, a Gomeroi woman, speak about the level of disrespect shown to her and other elders by the mining company. Local Aboriginal people are no longer able to visit many of the sacred sites. Dolly detailed one of the most insulting aspects of the assault on Aboriginal heritage. Shenhua plans to remove the grinding grooves offsite, then dig their massive open-cut coal pit and then supposedly put the grinding grooves back, when it rehabilitates the land in 17 years time. This is farcical. It would be a joke if somebody wanted to get up there and spruik how ridiculous companies are and what they try to con the public with, but this is actually the serious plan of a mining company that is putting forward a plan to the New South Wales government to mine coal in the Hunter.

Coal mining would destroy this family land and these sacred sites forever. No-one can reconstitute these fertile soils and aquifers. Talk of rehabilitation is another big lie of the mining industry and their government backers.

The betrayal of successive Labor and Liberal-National governments on this issue is massive. The full story is yet to be revealed. I say that because the former New South Wales mining minister, Ian Macdonald, whom ICAC found had corruptly issued lucrative mining licences in the Hunter Valley, started the deal with Shenhua Australia Holdings. For the exploration licence, Shenhua agreed to pay $300 million to the New South Wales government, with a further $200 million to be handed over once the mining lease is granted. What was promised in return has not been revealed, but what we know is that never before has so much money been handed over just for an exploration licence—that is all it was. It is hard to believe that there was not something promised that went hand in hand with that money. A responsible government would not allow this proposed mine to proceed.

What I just described with those huge amounts of money—hundreds of millions of dollars being handed over—occurred under the previous Labor government in New South Wales. There has now been a Liberal-National government in power for over four years. They have had time to clean it up and get to the bottom of it. Why don't they expose what went on? Why don't they reveal the papers of what went down when Shenhua did that deal with former minister Ian MacDonald, who is now highly discredited for his corrupt behaviour associated with other mines? Why isn't that revealed? Why don't they clean up the shocking way mining planning is being carried out in New South Wales?

At the Liverpool Plains harvest festival, festival organiser and local farmer Andrew Pursehouse said:
I would hope that there's a lot of heartache going on within the National Party, because this is a prime example where they could actually stand up for the people they represent …

Mr Pursehouse added:

These are the people who have voted National Party for a long time, and I think they're getting a bit fed up now that there's a lack of fight.

Determination to stop Shenhua proceeding with its coalmining plans on Liverpool Plains is growing fast, and it certainly needs to because of the impending threat. Former independent member for New England, Tony Windsor, spoke of mass arrests at protests to stop this mine. At the forum at the harvest festival, he set out why rural folk and Indigenous groups opposing the Shenhua mine on the Liverpool Plains should practise mass civil disobedience. He urged these protests to be staged under the leadership of the Indigenous people. Mr Windsor's speech was most inspiring; he got a huge reception. The former local MP linked protecting Aboriginal sacred sites and the right to access traditional land with the issue of water. Local farmers I spoke to explained how the aquifers feed the rich Liverpool Plains, how they contribute to the massive productivity of this area and what the damage would mean if the mining went ahead—how it would damage the aquifers and what the consequences for the Murray-Darling Basin would be. These workshops were incredibly informative. There was also the issue of the koala populations, which are also under threat if this mine goes ahead.

Jeremy Buckingham, the Greens mining spokesperson, also spoke on the platform with Tony Windsor. He exposed the Nationals’ double standards, and he very clearly set out how state and federal governments could stop the mine in a matter of hours if they chose to. Again, it was very informative in setting out the failure of the Liberal-National government to stand up to mining and, at least, expose what went on under Labor.

I congratulate the harvest festival organisers, the Liverpool Plains Alliance, which is made up of the Caroona Coal Action Group, Liverpool Plains Youth, SOS Liverpool Plains and the Gomeroi traditional owners. It was incredibly well organised and most enjoyable.

The failure of Labor, Liberal and the Nationals to deal with this most critical issue for all of Australia was again on display in this parliament today in this Senate. Today I moved a motion about this very issue, and again we saw the Labor, Liberal and National parties voting together on what amounted to a very simple call, which was for the Prime Minister to reverse the federal government's approval of the Shenhua Watermark mine and for the New South Wales government not to grant a mining lease for that mine.

There should at least have been some commentary about it. We really need to at least get back to the debate if the major parties are not willing to take a stand here. Shenhua is where the people will draw a line in the sand. So many people who I spoke to at the harvest festival, knowing that I am in the federal parliament, expressed their annoyance and some asked why it was not being taken more seriously. The thread that ran through so many of those conversations was people's determination to take a stand to stop the mine because they felt that this parliament had failed to take a stand for them and for the environment on climate change and on Aboriginal rights. There are so many different ways to look at this issue, but so many of those people look at all those issues. They are feeling very passionate. I think they have heard the call from former New England MP Tony Windsor loud and clear. Their protest at the harvest festival was certainly not the last time so many of those people will visit that area.
Central Coast: Infrastructure
Education
Illicit Drugs

Senator O'NEILL. (New South Wales) (22:06): I would like to speak to a couple of matters this evening. In my first remarks I would like to address the reality on the Central Coast that there is a building under consideration for construction on a site that has been cleared of the Gosford Public School. The removal of a school from a community is no small event.

It was one of the longest-standing schools in the region of the Central Coast. The community were finally persuaded to give over that piece of land and move their school to another site on the strength of that piece of land, which is quite near the Brisbane water and quite a beautiful spot, becoming available to create an enlivened and vibrant centre for the people of the Central Coast to gather. That is what people were sold when they gave way and moved the school to another site nearby.

What has happened in recent weeks is that the federal government has determined, through a process which can only be described as incredibly opaque, to impose on that site an ATO building, which could best be described by the drawings that the community has had access to as a brown-brick monstrosity. There will be four floors in which public servants associated with the Australian Taxation Office will be housed, with remarkable views over the beautiful Brisbane water, right at the entry way to the capital city of the Central Coast, Gosford.

On the Saturday of the long weekend recently, with only three days notice, I was able to organise through my office enough communication to the community so that almost 1,000 people gathered at 8.30 in the morning to protest this imposition on our community. The Central Coast will not be taken for granted. I have made a request to the Prime Minister to see him. I have called on him in his new role as Prime Minister to make a break with the imposition of this particular building on the Central Coast—to make a break from the old way in which the government was treating the Central Coast under Prime Minister Abbott. To this day, Prime Minister Turnbull has refused my request for a meeting to hear the voice of the people of the Central Coast. I want to put on the record this evening that people are very, very angry at being ignored. They feel their voice is not being heard. The entire community of that school that gave way is distraught and distressed, and rightly so. They gave up precious space for it to be co-opted and used for a purpose that does not align with the impression given.

This continues to be a fight for the voice of the people and a fair and equitable outcome for an incredibly invigorated space that will create an open and wonderful welcome area for a creative arts hub at the Central Coast—a signature set of iconic buildings that would re-enliven that part of the coast. Mr Turnbull should listen to the people of the Central Coast. I ask him once again, formally through this process, to give me the courtesy of his ear, listen to the voice of the community and halt the process immediately to prevent any further egregious action that has so riled the people of the Central Coast.

I want to speak tonight about the power of innovation and change. I commenced my remarks by acknowledging Albert Einstein who once said:

Imagination is more important than knowledge. For while knowledge defines all we currently know and understand, imagination points to all we might yet discover and create.
That is even truer in the world where it is certain that nothing is certain. Imaginatively, creatively and innovatively, we live in a world without borders—a world where the free flow of ideas offers vast opportunities. It is very clear that, if we as a nation are to benefit from the economic and social challenges and opportunities of the 21st century, then we must become a nation of innovators—an imaginative nation that delivers opportunities to enable our people to identify the momentous, historic and life-changing ideas of tomorrow and make them work. If we are to succeed as a nation, if we are to become a future orientated and progressive Australia, confident and capable enough to take a leading place within the global company, then we must prepare our next generation of citizens and leaders to grasp the opportunities that the journey they will make provides.

If there is one thing we know about the 21st century, it is that it will require people who are imaginative, innovative and creative problem-solvers—people who can contribute to the economy and society by taking full advantage of a range of skills connected with the digital and computer world of information knowledge. We must develop a culture that celebrates and promotes entrepreneurism. It makes perfect sense, then, that we have an education system that helps develop those capabilities and a teaching profession that is educated and knowledgeable enough to deliver high-quality teaching and learning in these critically important areas.

Labor's response to the challenges and potential of the 21st century is based upon the belief that our schools need to nurture in all our children the abilities and competencies they need in order to think creatively and innovatively. We want our young people, as 21st century citizens and learners, to have a mindset that is imaginative, adventurous and resourceful. This requires developing and enriching core skills in technology, science and mathematics. Recent evidence has suggested that there is a worrying decline among young people in levels of achievement in maths and that there is a chronic shortage of qualified mathematics teachers in secondary schools and, further, that participation in mathematics based courses in universities is also declining.

While we know that the majority of occupations for our young people will require skills in science, technology, engineering and maths, in 2012 only 16 per cent of higher education students graduated in these STEM related subjects. That compares with 52 per cent in Singapore and 41 per cent in China. Clearly, this is a trend that must be reversed. That is why Labor has announced initiatives to prepare our children, our workforce and our industries for that changing innovation economy. To achieve those goals, Labor will establish a STEM teacher training fund to support 25,000 primary and secondary school teachers over five years to undertake professional development in STEM disciplines. To encourage STEM graduates into teaching by offering 25,000 scholarships over five years, which will address the shortage of qualified teachers, recipients will get $6,000 when they commence a teaching degree and $10,000 when they complete their first year of teaching. That is quite a significant incentive. We also intend to provide $100,000 STEM award degrees: $20,000 a year for five years, which will provide a financial incentive for students to enrol in and complete STEM undergraduate degrees. Science, technology, engineering and maths award degree recipients will have their HECS debt completely written off upon graduation.

As we prepare our economy for change it is, clearly, imperative that all Australians are skilled enough to be able to participate in this new world. We must close the skills gap between the number of technology jobs and the people who are qualified to fill them. We
cannot continue with a view of information and communications technology that focuses purely upon computer literacy. We must move far beyond the teaching of how to use a word processor, how to prepare a spreadsheet or how to use any new program that might be developed. Our young people, instead, need to be taught computer science and information technology in a way that enables them to become digitally literate.

Fundamental to developing digital literacy in schools is the integration of coding within the Australian curriculum, beginning in primary school. Already there is a significant body of evidence that we are lagging behind our global competitors. New Zealand and Singapore are integrating coding into the curriculum, and it is already there within the primary curriculum in England, Belgium, Finland, Estonia, the Netherlands, Italy and Greece. This is why a Labor government will ensure that computer programming, computational thinking and digital technologies are taught in every single primary and secondary school by a teacher trained appropriately in coding and the pedagogy required to enable learning to occur in that particular field of endeavour. We will also establish a national coding in schools centre where business and industry can connect with teachers and other educational professionals. This is so important to continuing renewal, because coding is going to move very quickly. We need to anticipate that and build in the capacity for innovation and change.

Underpinned by the principles of equity and fairness, these measures illustrate Labor's commitment to economic reform and planning for a progressive, exciting and prosperous future full of possibility. The challenge for this government is to match Labor's vision for Australia's future. We need a federal government that will make education a national priority. We need a government that will rise to the challenge of meeting the demands of our future by funding schools, by funding TAFE and by funding universities at levels that will enable them to deliver highly educated, resourceful and aspiring young people full of idealism and the optimism that this country needs. We need a government that recognises, as Labor does, the truth that education is a truly transformative experience, not just for individuals but for our nation as well.

We need a vision of education as a public good, a vision that recognises that economic and social progress and the strength and vibrancy of our democracy rests upon a well funded education system committed to excellence. Instead, we have seen from this government savage cuts to schools and universities and to vocational education and research. Education may well have a new minister but, to nobody's surprise, nothing appears to have changed. Billions of dollars in cuts to education funding seem here to stay under Mr Turnbull. So far we have had a lot of talk from this government, but precious little action of a positive kind with regard to education.

Labor has clearly set out what we will do. We have set out our plans for beginning the vital task of developing Australia as a nation of innovators supported by a highly educated workforce and citizenry. Where is the government's plan? What we continue to get from the Prime Minister is more glib charm, more casual and bombastic rhetoric and not much else as he struggles to appease the right-wing conservatives in his party who put him where he is today. It is not good enough for the nation. We need an education system underpinned by the innovation, creativity and excellence that Australia requires. Labor has shown that we are certainly ready for the challenge.
I want to address another significant challenge that I believe is not adequately receiving the attention of this government, and that is the scourge of ice that is ravaging communities across this nation—city, country, high and low SES; it does not seem to make a difference. I want to put that in the context, though, that our biggest drug problem in the country continues to be alcohol.

There is a growing body of evidence that suggests the menace of the drug ice is continuing to develop into a very dangerous and significant blight on our society. Recent evidence indicates that approximately 42 per cent of Australians say they have used illicit drugs at some time in their lives, and almost 15 per cent of that group have said they had used such drugs during the past year. An Australian Institute of Health and Welfare report published in 2014 claimed that the use of ice more than doubled, from 22 per cent in 2010 to 50 per cent in 2013. In addition, a 2015 Australian Crime Commission report has stated that more than 1.3 million Australians claim to have used ice. In November 2014 the New South Wales Joint Organised Crime Group seized almost three tonnes of ecstasy and crystal ice worth a staggering street value of over $1.5 billion.

These statistics are very concerning and they constitute a very real threat to our nation. Just as alarming is the impact of ice on addicts, on their families and the broader community. It is simply devastating. It destroys lives and wrecks communities, causing untold pain and anguish. Those addicted to ice and other drugs place themselves at enormous risk of contracting a range of life-threatening and debilitating illnesses, including psychosis, psychological and behavioural problems and an increased risk of heart failure and kidney failure.

In recent days, with the Senate Select Committee on Health in Melbourne, Senator Muir and I were welcomed to the Royal Melbourne Hospital, where we were privileged to witness the incredible professionalism, care and compassion of nurses, doctors and other health professionals working in the mental health ward. The setting was a significant attempt at making a homelike environment for people who had admitted themselves to the mental health ward. We were shown the reality of a room in which somebody in a very psychotic state might be held to be protected from themselves.

These rooms are very simple and very strong structures. The ceiling in the room we were shown had a metal grate in it about 1.5 millimetres thick. A person who was in that room recently was so impacted by their ice binge over a number of days that, without any furniture, they were able to get to the ceiling, pull the grate down, twist it with their bare hands and nothing else, and then use it to basically do $4,500 worth of damage to that room. They climbed up through the gap where the grate had been and went across into another part of the facility. Such is the unbelievable strength and distress of people impacted by long periods or intense periods of ice use.

We know that there are drug rehabilitation centres around our nation that are doing wonderful work, with dedicated people working miracles in enormously difficult contexts. I am sure all senators will join with me in paying tribute to the outstanding work of these wonderful people and what they do on the front line of addiction and prevention. They certainly deserve our respect and thanks, and the unequivocal support of the parliament and much more. But they also need funding.
I seek to table articles on the front page and page 5 of The Age last week headlined 'Health cuts equal to closing two hospitals' and 'Federal funding cuts equate to closing hospitals'. Leave granted.

Senator O’NEILL: These articles refer to the significant impact of the tearing up of the national partnership agreements and the pressure that is putting on the hospitals, just like the one I described in relation to managing the poor man who was in the state that he was in, having been impacted by ice. The pressure that these cuts are putting on staff and on people seeking assistance—on people in the throes of deep addiction, with all of the physical and psychological problems that presents—should not be understated.

Sadly, the work of people providing care for those recovering from addiction illustrates a problem that is too well known in our nation. We know that demand for places in these centres where people can get rehabilitation far outstrips the availability of those places. We know it is all too common and a tragic story for many places anxious to help people start again and distance themselves from the scourge of drug addiction. Time after time, we hear the same story of huge demand for support and guidance that is nowhere near matched by the facilities that are available.

On another occasion, I would like to make some remarks about the wonderful work going on on the Central Coast. But tonight I want to put on record that people should know that, while in the midst of an ice epidemic and all the drama that exists, the coalition government has cut close to $800 million from Department of Health flexible funds and from the Substance Misuse Prevention and Service Improvement Grants Fund. These are the funds that support drug rehabilitation and treatment. I call on the government to reinstate adequate funding for the response to ice. (Time expired)

Senate adjourned at 22:27

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

[Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number. An explanatory statement is tabled with an instrument unless otherwise indicated by an asterisk.]

Australian Research Council Act 2001—Approval of ARC Discovery Indigenous proposals for funding commencing in 2016—Determination No. 140.

Approval of Discovery Early Career Researcher Award Proposals for funding commencing in 2016—Determination No. 138.

Approval of Linkage Infrastructure, Equipment and Facilities Proposals for funding commencing in 2016—Determination No. 139.

Approval of NHMRC-ARC Dementia Research Development Fellowships for funding commencing in 2015—Determination No. 142.


Private Health Insurance Act 2007—Private Health Insurance (Prostheses) Amendment Rules 2015 (No. 3) [F2015L01764].
Public Governance, Performance and Accountability Act 2013—
  Public Governance, Performance and Accountability (Section 75 Transfers) Amendment Determination 2012-2013 (No. 2) [F2015L01760].
  Public Governance, Performance and Accountability (Section 75 Transfers) Amendment Determination 2013-2014 (No. 3) [F2015L01761].
  Public Governance, Performance and Accountability (Section 75 Transfers) Amendment Determination 2014-2015 (No. 3) [F2015L01758].
  Public Governance, Performance and Accountability (Section 75 Transfers) Amendment Determination 2015-2016 (No. 1) [F2015L01759].

Tabling

The following documents were tabled pursuant to standing order 61(1) (b):
Auditor-General—Audit report no. 7 of 2015-16—Performance audit—Managing compliance with the wildlife trade provisions of the Environment Protection and Biodiversity Conservation Act 1999: Department of the Environment; Department of Immigration and Border Protection.
Treaty—Bilateral—Agreement between Australia and the Republic of Estonia on Social Security (Tallinn, 14 September 2015)—Text, together with national interest analysis.