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**SITTING DAYS—2015**

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FORTY-FOURTH PARLIAMENT
FIRST SESSION—SIXTH PERIOD

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

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

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

Printed by authority of the Senate
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<th>State or Territory</th>
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Pursuant to section 42 of the Commonwealth Electoral Act 1918, the terms of service of the following senators representing the Australian Capital Territory and the Northern Territory expire at the close of the day immediately before the polling day for the next general election of members of the House of Representatives.

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<td>CLP</td>
<td>Peris, N.M.</td>
<td>ALP</td>
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(1) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice R. Carr), pursuant to section 15 of the Constitution.

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

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

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

**PARTY ABBREVIATIONS**

AG—Australian Greens; ALP—Australian Labor Party;
AMEP—Australian Motoring Enthusiast Party; CLP—Country Liberal Party;
FFP—Family First Party; IND—Independent, LDP—Liberal Democratic Party;
LNP—Liberal National Party; LP—Liberal Party of Australia;
NATS—The Nationals; PUP—Palmer United Party
Heads of Parliamentary Departments

Clerk of the Senate—R Laing
Clerk of the House of Representatives—D Elder
Acting Secretary, Department of Parliamentary Services—D Heriot
Parliamentary Budget Officer—P Bowen
<table>
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<th>ABBOTT MINISTRY</th>
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<td><strong>Title</strong></td>
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<tr>
<td>Prime Minister</td>
</tr>
<tr>
<td>Minister for Indigenous Affairs</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for the Public Service</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister on Counter-Terrorism</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for Women</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
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<tr>
<td>Minister for Infrastructure and Regional Development</td>
</tr>
<tr>
<td>(Deputy Prime Minister)</td>
</tr>
<tr>
<td>Assistant Minister for Infrastructure and Regional Development</td>
</tr>
<tr>
<td>Minister for Foreign Affairs</td>
</tr>
<tr>
<td>Minister for Trade and Investment</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Foreign Affairs</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Trade and Investment</td>
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<tr>
<td>Minister for Employment</td>
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<tr>
<td>Assistant Minister for Employment</td>
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<tr>
<td>(Deputy Leader of the House)</td>
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<tr>
<td>Attorney-General</td>
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<tr>
<td>Minister for the Arts</td>
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<tr>
<td>(Vice-President of the Executive Council)</td>
</tr>
<tr>
<td>(Deputy Leader of the Government in the Senate)</td>
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<tr>
<td>Minister for Justice</td>
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<tr>
<td>Parliamentary Secretary to the Attorney-General</td>
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<tr>
<td>Treasurer</td>
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<tr>
<td>Minister for Small Business</td>
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<tr>
<td>Assistant Treasurer</td>
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<tr>
<td>Parliamentary Secretary to the Treasurer</td>
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<tr>
<td>Minister for Agriculture</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Agriculture</td>
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<tr>
<td>Minister for Education and Training</td>
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<tr>
<td>(Leader of the House)</td>
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<tr>
<td>Assistant Minister for Education and Training</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Education and Training</td>
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<tr>
<td>Minister for Social Services</td>
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<tr>
<td>Assistant Minister for Social Services</td>
</tr>
<tr>
<td>(Manager of Government Business in the Senate)</td>
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<tr>
<td>Minister for Human Services</td>
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<tr>
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<tr>
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<tr>
<td><strong>Minister for Defence</strong></td>
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<tr>
<td>Minister for Veterans' Affairs</td>
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<td><em>Minister Assisting the Prime Minister for the Centenary of ANZAC</em></td>
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<tr>
<td>Assistant Minister for Defence</td>
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<td><em>Parliamentary Secretary to the Minister for Defence</em></td>
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<td><strong>Minister for Communications</strong></td>
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<td><em>Parliamentary Secretary to the Minister for Communications</em></td>
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<tr>
<td><strong>Minister for Immigration and Border Protection</strong></td>
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<tr>
<td>Assistant Minister for Immigration and Border Protection</td>
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<td><strong>Minister for the Environment</strong></td>
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<tr>
<td><em>Parliamentary Secretary to the Minister for the Environment</em></td>
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<tr>
<td><strong>Minister for Finance</strong></td>
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<td>Special Minister of State</td>
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<tr>
<td><em>Parliamentary Secretary to the Minister for Finance</em></td>
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<td><strong>Minister for Health</strong></td>
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<tr>
<td><strong>Minister for Sport</strong></td>
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<tr>
<td>Assistant Minister for Health</td>
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</table>

Each box represents a portfolio. **Cabinet Ministers are shown in bold type.** As a general rule, there is one department in each portfolio. However, there is a Department of Human Services in the Social Services portfolio and a Department of Veterans' Affairs in the Defence portfolio. The title of a department does not necessarily reflect the title of a minister in all cases.
<table>
<thead>
<tr>
<th>TITLE</th>
<th>SHADOW MINISTER</th>
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<tbody>
<tr>
<td>Leader of the Opposition</td>
<td>Hon. Bill Shorten MP</td>
</tr>
<tr>
<td>Shadow Minister Assisting the Leader for Science</td>
<td>Senator the Hon. Kim Carr</td>
</tr>
<tr>
<td>Shadow Minister Assisting the Leader for Small Business</td>
<td>Hon. Bernie Ripoll MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Small Business</td>
<td>Julie Owens MP</td>
</tr>
<tr>
<td>Shadow Cabinet Secretary</td>
<td>Senator the Hon. Jacinta Collins</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary to the Leader of the Opposition</td>
<td>Dr Jim Chalmers MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary to the Leader of the Opposition</td>
<td>Hon. Michael Danby MP</td>
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Monday, 15 June 2015

The PRESIDENT (Senator the Hon. Stephen Parry) took the chair at 10:00, read prayers and made an acknowledgement of country.

DOCUMENTS

Tabling

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

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

PARLIAMENTARY REPRESENTATION

Queensland

The PRESIDENT (10:01): I have received, through the Governor-General, from the Governor of Queensland, the certificate of the choice by the Parliament of Queensland of Joanna Lindgren to fill the vacancy caused by the resignation of Senator Mason. I table the document.

Senators Sworn

Senator Joanna Lindgren made and subscribed the oath of allegiance.

BILLS

Tax Laws Amendment (Small Business Measures No. 1) Bill 2015
Tax Laws Amendment (Small Business Measures No. 2) Bill 2015

First Reading

Bills received from the House of Representatives.

Senator CORMANN (Western Australia—Minister for Finance) (10:06): I move:

That these bills may proceed without formalities, may be taken together and be now read a first time.

Question agreed to.

Bills read a first time.

Second Reading

Senator CORMANN (Western Australia—Minister for Finance) (10:06): I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

TAX LAWS AMENDMENT (SMALL BUSINESS MEASURES NO.1) BILL 2015

This Bill amends the tax law to lower the company tax rate by 1.5 percentage points to 28.5 per cent for incorporated small business.

Many would agree that small businesses make an important contribution to the Australian economy.
Around 96 per cent of all Australia's businesses are small businesses. Small businesses produce over $330 billion of Australia's economic output and there is no doubt small business is at the forefront of Australia's jobs and growth. They employ over 4.5 million people, which accounts to around 43 per cent of non-financial private sector jobs in Australia. But this would have been more, if it were not for 6 years of Labor where 519,000 jobs were lost in small business.

While small businesses have a significant role in the Australian economy, they face a unique set of operational challenges, and as a consequence typically have higher failure rates than larger companies. These unique characteristics make small businesses more vulnerable to shocks and changes in economic conditions than larger businesses.

We know from the Intergenerational Report that there will be a significant challenge to maintain Australia's current rate of income growth. Future growth in living standards must be driven by higher levels of Australian productivity.

It will require productivity growth to increase to around 3 per cent a year. This is well in excess of what Australia achieved in the past 50 years, and more than doubles that of the past decade. Put simply, growth in productivity will require more or better quality goods and services to be generated from the resources available.

Australians are well known for their enterprising spirit and their willingness to have a go. The hard working women and men of Australian small businesses are the engine room of our economy. In 2013-14 Australians started over 280,000 small businesses.

Small businesses are often the entities that test and pioneer innovative ideas and business practices, which are critical to future economic growth, job prospects and improved living standards.

This makes it particularly important that the policy settings support small business growth and innovation.

As elected members of this Parliament, we need to understand and recognise where the impediments and headwinds are in every square of the economy and do our best to address them, so that those enterprising people with an idea, an aspiration, a sparkle in their eye and a fire in their belly can turn their ambition into economic activity to benefit themselves and the nation.

For a long period, we have been blessed by nature with resources that give us a competitive advantage and we see that we have benefited from that. However, as we look at the over the economic horizon we cannot bank on that to sustain our living standards and our quality of life.

The Australian economy is in the midst of a major economic transformation, moving from growth led by investment in resources projects to broader-based drivers of activity in non-resources sectors.

We need entrepreneurial spirit, innovation, drive and risk taking to find new markets, develop new products, and establish new businesses. To achieve that, we need the ambition of enterprising women and men.

This Government sees energising Australian enterprises as its priority. The Government's $5.5 billion Jobs and Small Business package in the 2015-16 Budget will create the right conditions for Australian small businesses to thrive and grow. It will help employers create new jobs and assist Australia's unemployed to access these jobs.

The Budget delivers the biggest small business package in Australia's history. It is about putting in place improved incentives for entrepreneurial behaviour.

Since the 2015-16 Budget announcement, I have had much positive feedback on the Jobs and Small Business package.

Comsec has said "The measures in the federal Budget to support small business would have been a key driver of the lift in confidence."
COSBOA Chief Executive Peter Strong has said "This is a fundamental and positive change that sends the right message to people looking to start a business."

Australian Newsagents Federation has said "This will definitely create further impetus and incentive for our members to invest in their businesses."

This Bill reduces the corporate tax rate from 30 per cent to 28.5 per cent for small businesses with annual turnover under $2 million. This change is the centrepiece of the small business package. Because on this side of the House we are the best friends of small business.

Small business companies will pay less tax for income years that commence on or after 1 July 2015. This change delivers on our election commitment to small business.

Providing incorporated small businesses with a reduced rate of company tax will enable them to retain more earnings and improve their cash flow; a critical issue for small businesses. It is estimated that up to 780,000 companies could potentially benefit from this measure.

New company registrations in the last financial year were the highest on record. This measure will help all new and existing small companies grow, thrive and compete.

Helping more small businesses become more profitable will give them greater capacity to invest and innovate by adopting new and improved ways of doing business, improving our nation's productivity and resulting in more jobs and higher wages for Australian workers. That means better living standards for all.

We understand that not all small businesses are incorporated so we will bring forward legislation to provide tax relief for unincorporated small businesses. In addition, later today I will introduce legislation to deliver assistance for all small businesses, including accelerated depreciation arrangements.

This Bill will also ensure that the maximum amount of franking credits a small incorporated business can attach to its dividends in a year will not be reduced along with the tax rate. This additional benefit will allow small companies to distribute surplus franking credits accumulated in previous years; reducing the tax their owners pay when they receive dividends.

This will benefit owners of small business and effectively reduce the shareholders' overall tax paid regardless of their marginal tax rate.

Full details of the measure are contained in the explanatory memorandum.

This Government is the friend of small business, and the 2015-16 Budget is where we demonstrate our bona fides for that claim. This Bill is the first of several that will implement the small business measures announced in the Budget. This measure is appropriate and it is affordable, and I call on all to give it their full support.

TAX LAWS AMENDMENT (SMALL BUSINESS MEASURE NO. 2) BILL 2015

This Bill amends the tax law to help small businesses and primary producers to invest, grow and innovate.

It provides accelerated depreciation arrangements as outlined in the Growing Jobs and Small Business package and the New Framework for Drought Preparedness, both of which were announced in the 2015-16 Budget.

A budget which has been widely welcomed. ACCI CEO Kate Carnell said "Small business is the engine room of the Australian economy, so support for these businesses will boost overall jobs and investment. The government's measures will help to restore confidence among small businesses." NSW Business Chamber CEO Stephen Cartwright said "These measures will be particularly well received in regional Australia where unemployment is at its highest and job opportunities are limited."
Small businesses play a significant role in the Australian economy, particularly as a major employer and contributor to the economy.

Small businesses make an important contribution to the Australian economy. 96 per cent of all Australia’s businesses are small businesses. They employ over 4.5 million people. They are adaptable and able to respond profitably to changing circumstances.

Small businesses are often the entities that test and pioneer innovative ideas and business practices which are critical to future economic growth, job prospects and improved living standards.

Small businesses produce over $330 billion of Australia’s economic output. While this is a significant role in the Australian economy, small businesses face a unique set of operational challenges, and as a consequence typically have higher failure rates than larger companies. This makes it particularly important that the policy settings support small business growth and innovation.

This is why the Government announced the biggest jobs and small business package in the nation’s history as a centrepiece of the 2015-16 Budget. The package included a tax cut for incorporated small businesses, tax relief for unincorporated small businesses and accelerated depreciation arrangements. These measures were designed to help small businesses grow, compete and employ more Australians.

Farmers too play a pivotal role in the Australian economy, and are at the heart of the Australian identity. 115,000 businesses report agriculture as their main business activity. A further 13,900 report it as a secondary activity.

Farmers are a significant employer, particularly in regional areas. These businesses make up 52 per cent of Australia’s land mass. 99 per cent of agriculture businesses are Australian owned.

The value of agriculture production was worth over $50 billion in 2013-14, contributing to around two per cent of Australia’s gross domestic product and 15 per cent of total Australian merchandise exports.

In 2013-14, agriculture exports were worth around $40 billion, with over 60 per cent of production exported to more than 100 countries.

The agriculture industry plays an important role in the social fabric of Australia, being recognised by the Government as one of the five pillars of the Australian economy; the industry has prime place in our nation’s future.

Agriculture is one of the sectors on which the prosperity of our nation is increasingly reliant. The Government has laid the foundations for a stronger agricultural sector. We have reduced regulation, removed the carbon tax, increased export market access, invested in infrastructure, refined the settings for foreign investment and secured FTAs with China, Korea and Japan.

Stronger farmers mean a stronger economy and we are focused on strengthening the competitiveness of the sector.

Boosting the competitiveness of the agriculture sector will contribute to Australia’s broader economic growth, jobs, trade, innovation and productivity.

However, farmers have to cope with significant challenges, including severe weather events. Currently, some parts of the country are subject to unprecedented drought and large parts of the north have experienced a third failed wet season. This affects the financial position and wellbeing of farmers, their families and the surrounding rural communities. Helping farmers through times of drought is in our national interest.

Considering the significant role farmers play in our economy, it is important they are provided with support and encouragement to better manage their risks and prepare for extreme weather events.

The Government is committed to providing the necessary support to Australia’s farmers to help them prepare for drought, and to provide them with a better tax system.
In addition to providing farmers with a simplified accelerated depreciation regime, the Government is providing more money to:

- continue the Drought Concessional Loan Scheme and the Drought Recovery Concessional Loan Scheme for an additional year;
- assist farmers to reduce the impact of pest animals in drought-affected areas;
- fund civil and civic infrastructure projects in drought affected areas through grants; and
- extend existing social and community support services for farmers to 70 local government areas that are experiencing a severe and prolonged rainfall deficiency.

Schedule 1 to this Bill amends the small business simplified depreciation rules in the tax law, to increase the threshold for immediately deductibility for capital assets.

The schedule will significantly increase this threshold from the current level of $1,000 to $20,000. This will mean that any small business buying an asset costing less than $20,000 will be able to immediately deduct the full cost of the asset. This measure is available for any business asset purchased and installed, ready for use, between 7:30pm (Australian Eastern Standard Time) on 12 May 2015 and 30 June 2017.

This is a massive increase in the threshold and a massive gain to cash flow for small businesses. CPA Australia CEO Alex Malley said "By allowing small businesses to immediately deduct assets costing less than $20,000 is a positive move which will support vital and much needed business investment."

Currently, small businesses purchasing assets above $1,000 have to depreciate these assets over multiple income years. - In some cases this imposes complex record keeping requirements on small business, but it reduces their cash flow.

This Government is returning small business's profits to its owners and allowing them to make the decisions which best suit them; the decisions that allow them to grow their business and employ more Australians.

As part of the threshold increase, any assets that individually cost $20,000 or more can be pooled together in the general small business pool and depreciated at 15 per cent in the first year, and 30 per cent each year thereafter. Once an asset is placed in the pool, there is no requirement to track the item. This reduces paperwork and frees small business to get on with doing what they do best.

The pool itself may also be deducted entirely if its value is below the $20,000 threshold at the end of any financial year between 7:30 pm 12 May 2015 and 30 June 2017.

The law currently includes 'lock-out rules' that stop businesses that elect out of the simplified depreciation scheme from re entering for five years. To ensure fairness and the broadest availability of this measure, this schedule relaxes those rules so that the higher threshold is available. This will allow all small business entities to access this measure.

Consider an electrical business that purchases tools and other equipment for their small business. These tools can be expensive and the rules around depreciating them can be time consuming to understand. Under the expanded accelerated depreciation measure, this business can write-off each and every item under $20,000 that is purchased before 30 June 2017.

Schedule 2 to this Bill amends the tax law to provide a more simplified accelerated depreciation regime for all farmers, in three ways.

Firstly, the schedule will allow all primary producers to immediately deduct capital expenditure on fencing.

The current depreciation treatment for fencing is complex, and can vary depending upon the type of fencing asset. For example, currently, a general farm fence may be depreciated over 30 years. An
electric fence, on the other hand, may be depreciated over 20 years. An energiser for this electric fence is depreciated over a different period again.

If the fence is used in landcare operations, for example, to segregate a section of land which may be affected by land degradation, its cost is immediately deductible.

If a farmer makes a repair to an existing fence, the repair costs are immediately deductible.

From 7:30 pm (Australian Eastern Standard Time) 12 May 2015, rather than repairing an existing fence which can be costly and time consuming, farmers can instead immediately deduct the cost of installing a new fence. This will reduce red tape and complexity.

Farmers will no longer need to keep track of expenditure over extended periods of time. Farmers will have more cash in their pockets to spend, invest or pay off debt. New investment may also boost farm productivity.

Consider Jake who installs 25 kilometres of new fencing, at a cost of $25,000 on his cattle farm. Under the current system, Jake is able to depreciate his fencing costs over a period of 30 years. Jake claims a depreciation deduction of $833 each year.

Now, Jake will be able to deduct the full cost of $25,000 immediately.

These additional deductions mean that Jake will pay less tax if he makes a profit. Assuming Jake’s marginal tax rate is 39 per cent, including the Medicare Levy, his tax liability would be reduced by $14,742. This means Jake will have more to spend, invest or pay off debt.

The second and third amendments under this schedule will encourage primary producers to better prepare for and manage drought risks.

Extreme weather events, such as drought, are an unavoidable reality for many farmers. Farm preparedness, such as having available sufficient feed and water, is vital to surviving extended periods of drought.

Under this schedule, capital expenditure on water facilities, such as dams, tanks, bores, irrigation channels, pumps, water towers and windmills will now be immediately deductible.

Currently, water facilities are depreciated in three equal amounts, over three years.

Farmers will now be able to invest in a new irrigation system, build a new dam or install a new pump and be able to immediately deduct for tax purposes the cost.

The schedule will also allow for capital expenditure on fodder storage assets, such as silos to store animal feed, tanks to store liquid feed supplements and hay and grain storage sheds, to be depreciated over three years.

Having fodder on hand is important for farmers during drought periods. Currently, a farmer wishing to prepare for drought who invests in a steel silo would need to depreciate and track the expenditure of the asset over a period of up to 30 years. Under the amendments, this is reduced to three years.

Consider Rob, a farmer who purchases a steel silo, at a cost of $21,000, for storing animal feed on his farm. Currently, Rob is able to depreciate the steel silo over 30 years and claims a depreciation deduction of $700 each year.

Now, Rob will be able to depreciate the silo cost of $21,000 over three years giving him $6,300 more in deductions in each of the first three years.

These additional deductions mean that Rob will pay less tax if he makes a profit.

Assuming Rob marginal tax rate is 34.5 per cent, including the Medicare Levy, his tax liability would be reduced by $4,127 in each of the first three years, meaning that he will have additional funds to invest, pay off debt or spend.
Accelerating the depreciation on water facilities and fodder storage assets will mean more money in farmers' pockets for investment in drought preparedness; a simplified depreciation system and an increase in farm productivity.

Full details of the measures are contained in the explanatory memoranda.

This Government is the best friend of small businesses and farmers, and the 2015-16 Budget is where we demonstrate our bona fides for that claim. This bill is one of several that will implement the small business and primary producers measures announced in the Budget, thereby putting in place further significant acknowledgment and recognition in the tax law of the importance of small business, and of farmers, to our economy.

The measures are appropriate and they are affordable, and I call on all members to give it their full support.

**Senator JACINTA COLLINS** (Victoria) (10:07): Labor supports these bills. We have been saying this since budget night when our Shadow Treasurer said it, but let me say it again: we are supporting these bills. The Tax Laws Amendment (Small Business Measures No.1) Bill 2015 amends the Income Tax Rates Act 1986 to reduce the company tax rate from 30 per cent to 28.5 per cent for companies that are small business entities with an aggregated turnover of less than $2 million. It retains the company tax rate at 30 per cent for all other companies over the threshold.

There are two parts to the Tax Laws Amendment (Small Business Measure No. 2) Bill 2015. Schedule 1 deals with the $20,000 accelerated depreciation for small businesses and schedule 2 allows for accelerated depreciation for primary producers. In the No. 2 bill, schedule 1 amends the accelerated depreciation rules for small businesses—businesses with an aggregate annual turnover of less than $2 million—by temporarily increasing the threshold under which certain depreciating assets, costs incurred in relation to depreciating assets and general small business pools can be written off.

An increased threshold of $20,000 applies from 7.30 pm, by legal time in the Australian Capital Territory, on 12 May 2015 until 30 June 2017. From 1 July 2017 the threshold reverts to $1,000. The increased threshold is available to all small businesses, including those who previously opted out of the simplified depreciation rules. Schedule 2 to this bill amends the Income Tax Assessment Act 1997 to allow primary producers to claim an immediate deduction for capital expenditure on water facilities and fencing assets and to deduct capital expenditure on fodder storage assets over three years. This will assist primary producers with drought preparedness and cash flow and encourage investment in productivity enhancing assets.

We saw in the other place the embarrassing situation of the government, after saying time and time again that Labor must get out of the road and support the budget's tax measures and small business package, voting against a motion from the Leader of the Opposition to bring the bills to a speedy vote. Repeatedly we hear the government espousing its credentials in this area, saying that it wants to support small business. On our side, we say, 'Let us get on with it.' Instead, in the other place, there was the spectacle of hours and hours of speakers from the government lining up at the same time as the government was criticising Labor and claiming we were creating uncertainty. Our position remains clear. We will support this legislation, because we do support small business. And let us hope that in this place we do not see, as in the House, speaker after speaker from the government delaying progress here.
On the Tax Laws Amendment (Small Business Measures No. 1) Bill 2015, Labor will support the company tax cut of 1.5 per cent for small businesses with an annual turnover of less than $2 million given the serious economic impacts of the government's significant cuts to the sector since the last election. So, what we are doing here is remedial. The impact of this government's overall budgetary position and the loss of confidence for small business is what needs to be repaired.

Let us put on the record that the Prime Minister and the Treasurer cut more than $5 billion of tax assistance for micro and small businesses in last year's budget. They also slashed the instant asset write-off for small businesses—the very measure the government is now bringing back. These cuts have hurt small business’s cash flow, and consumer sentiment and small business confidence has crashed because of this government's first budget. When we look at the other dire effects of this government's first budget, people often forget the impact on business confidence, and this has hit small business significantly. Now, in an effort to save their jobs, though, the Prime Minister and the Treasurer are proposing assistance measures for small business. The Australian community rightly marked the government down following last year's disastrous budget, yet the Prime Minister and the Treasurer continue to talk down the economy and blame everyone else for their problems. As a result, there was a direct hit to consumer and business confidence. In addition, this budget has doubled the deficit from $17 billion to just over $35 billion. And, according to the government's own budget papers—budget paper No. 1—under the leadership of the Prime Minister and the Treasurer general government sector net debt has gone from 12.8 per cent of GDP in the 2013-14 year to 17.3 per cent of GDP in 2015-16, and it is climbing, and it is unprecedented.

The Leader of the Opposition, Mr Shorten, and the shadow Treasurer, Mr Bowen, and others made clear from budget night onwards that Labor will support the small business measures in the budget given the urgent need for assistance to this significant sector of the Australian economy. Small business contributes annually in excess of $330 billion to our GDP and it is responsible for around 47 per cent of private sector employment. However, Labor notes the recent comments from respected chief economist for Bank of America Merrill Lynch, Saul Eslake, who points out that almost 63 per cent of small business companies will derive no benefit from a 1.5 per cent company tax rate because they are neither profitable nor taxable. Labor also notes stakeholder concerns such as those of the Australian Chamber of Commerce and Industry regarding the introduction of a two-tier tax system for small business and will monitor the change going forward to see if there are additional complexities and compliance issues arising from these new tax arrangements. I highlight the compliance issue. I have observed significant commentary on this issue since the announcement. It does not appear that the government has seriously thought through these measures, and we will wait, as we monitor those issues, as the arrangements go forward.

Regarding the Tax Laws Amendment (Small Business Measures No. 2) Bill 2015, Labor will support the No. 2 bill to introduce accelerated depreciation for small business entities and primary producers. The $1,000 threshold for the cost of depreciating assets, costs incurred in relation to depreciating assets, and the low pool value deduction under the small business entity capital allowance provisions is temporarily increased to $20,000. As I identified at the outset of my speech on the second reading, the increased threshold applies only to assets that were first acquired at or after 7.30 pm, legal time in the Australian Capital Territory, on 12
May 2015, and first used or installed ready for use on or before 30 June 2017. Assets that do not satisfy these timing requirements will be subject to the $1,000 threshold.

Labor increased the instant asset write-off threshold for small business from $1,000 to $6,500 via the Tax Laws Amendment (Stronger, Fairer, Simpler and Other Measures) Bill 2011. The number of assets this applied to was unlimited. Labor's bill also introduced accelerated deductions for motor vehicles. This measure allowed small businesses to instantly write-off $5,000 plus 15 per cent of additional costs for new or used vehicles costing more than $6,500 in the income year that it is first used or installed ready for use. This increase in the instant asset write-off represented a boost to small business of $3.55 billion over the forward estimates and a boost from the accelerated depreciation for motor vehicles of $550 million over the same period. In addition, with the introduction of loss carry-back for companies, these three tax assistance measures for small business provided a boost of more than $5 billion to the small business sector.

Labor's record on small business is a good record and one of which we can be proud. This contrasts with the Prime Minister and the Treasurer's appalling record on small business. On coming to government, their first actions were to cut the instant asset write-off, tax loss carry-back for companies and the accelerated depreciation for motor vehicles—measures which were vitally important to the sustainability and success of small business. Further, they made the cuts retrospective. The instant asset write-off threshold reduction was backdated to 1 January 2014, creating a red-tape nightmare for small businesses, many of whom may have already filed their annual tax return. For some, they would have had to file an amended return to the ATO and may even have incurred a tax liability.

Now, less than 12 months later and in a desperate attempt to save his own political skin, Tony Abbott has brought back Labor's instant asset write-off and increased it to $20,000—remedial and, indeed, responding to damage that should never have occurred. Again, Labor made our support for the measures contained in this bill, particularly given the urgent need for assistance to this significant sector of the Australian economy. However, Labor is concerned that the tax assistance measure is for only two years. These concerns have been also noted by stakeholders, who have raised the issue of the impact on the small business sector and broader economy when the threshold reverts back to $1,000 from 1 July 2017. Labor will monitor the actions of the small business community, including any negative consequences resulting from a sudden drop in the threshold—$20,000 down to $1,000—following 1 July 2017.

In conclusion, Labor believes in small business and has a great record in government on delivering significant tax assistance measures and reducing regulatory burdens for small business. We support small business because they support private sector jobs and because of their overall contribution to the Australian way of life and economy. For these reasons, we support these bills.

Senator WHISH-WILSON (Tasmania) (10:19): The Greens, also, will be supporting this package for small business, and this is a very good opportunity to remind the Senate and the Australian people that the Greens went to the last federal election with a very clear policy for a two per cent tax cut for small businesses with a turnover of under $2 million. This was debated amongst the Greens' membership and was supported across the board as an initiative that our party should be leading on—and I do believe that we have led on this tax cut for small business. Along with Labor, we are very involved in negotiations around the mining tax
measures which support small business not just in terms of the instant asset write-off but also loss carry-back provisions and other measures.

We have always supported stimulating small business. We recognise the importance of small business not just to the economy—the two million small businesses and the contribution they make to employment—but also for there contribution to communities, to states such as Tasmania, where I am very proudly from. Dynamic small business is absolutely critical to our communities as well as to our economy. It gives people the flexibility to control their own destiny. It is hard work and often leads to higher risks. You are risking your capital and your time, without any guarantee of success, often in a very competitive industry. It is a segment of industry in this country that we should be supporting. Small businesses in my state of Tasmania—and I know the statistics are quite alarming right across Australia—have very high failure rates in the first three or four years of establishment. It is tough. It is hard. To give them a bit of a leg-up—whether it is through a tax cut or through other concessions such as the instant asset write-off—is the right thing to do. But we need to be very careful about how we do that.

We took our guidance on the instant asset write-off from the Henry review, which recommended a $10,000 cap on asset depreciation in perpetuity. We support that; that was our policy. But we do have very real concerns, which we have expressed in the media and to our members, about what is essentially a two-year stimulus package for small business. I have asked Senator Cormann these questions in detail at Senate estimates. We have concerns that capping the time frame on this to two years will lead to unintended consequences—and, standing here now, I would even say they are entirely predictable consequences. We will see a surge, a rush, to get access to these deductions in the next two years, especially for this tax year. That might bring expenditure forward, which is going to have budgetary implications. More importantly, it takes away certainty for small business in how they plan for the future. As I said, they have very high failure rates when they initially set up in business, so perhaps encouraging them to overspend in a two-year period could be counterproductive. We feel that, rather than having a lumpy item in their cash flow and in how they manage their cash flow, it would be better to give them an ongoing instant asset write-off so they can better plan for the capital that is required for their business.

I also want to make it very clear here today that if we do care about the sustainability of small business and want them to employ more Australians and grow our economy then they should be expecting a return from every single dollar they put into capital in their business. We do not want to see them going out and buying equipment that they do not necessarily need. For example, if you are a sole trader or in a partnership, it might be something that you want for your utility at home, it might be something that you want that you can write off against your income. It is absolutely critical that every dollar directed towards the instant asset write-off, towards capital in their business, needs to have a productive purpose. Otherwise, we are not going to achieve what this package should be setting out to do, and that is to put small business in this country on a long-term sustainable footing.

From the moment this measure was announced on budget night, it looked to me like a stimulus package. Forgive me for being cynical but, the week before this package, we had also had data suggesting that investment spending in this country was falling off a cliff. Investment spending is of course a critical component of gross domestic product; economic
growth comes out in the national accounts. Investment spending was falling off a cliff for a number of reasons that are well understood, including the wind-back in the mining boom. This cannot be a short-term package simply to stimulate investment in this country to make the accounts look good. It has to be to put long-term businesses on a sustainable footing. It must address the issue of helping businesses survive those critical periods when they are at high risk of closing down and allow them to invest in their business not for one or two years but for five or 10 years.

We also believe this package should have included the loss carry-back provision. Senator Collins has made it clear this morning that the Greens and Labor, as the previous government, did have a package in place for small business. We had a $6½ thousand instant asset write-off threshold per item and a loss carry-back provision. A loss carry-back provision also helps small businesses manage their cash flows, and it is something that is missing from this package. It is actually very important. If you are going to be encouraging up-front spending in capital via a much larger instant asset write-off threshold of $20,000 it is especially important that you include loss carry-back provisions so if businesses do not get it right, if they do overspend, they have the potential to go back to previous years where they made profits and paid tax and get compensated for that. That is a really important part of this package that is missing from this.

The Greens would like to have seen the $20,000 limit for capital expenditure as a cumulative measure; we would like to have seen that as a cap across all asset classes, not $20,000 per item. I can speak from personal experience. My wife has a medical practice in Launceston, where we live. She employs 15 people. We have been looking at buying a laser for her business—the Clerk is looking at me, so I have to declare a conflict of interest. We will, no doubt, use this $20,000 provision for my wife's business. We have been looking at buying a laser for scar surgery, especially for breast cancer patients that we deal with. My wife's business turns over slightly less than a seven-figure sum; it is not a high-margin business. For my wife's business, $20,000 is a lot of money. We have been looking at this for seven months. We have not committed to it yet, but we will do so under this package. For a business our size—we are not quite a medium sized enterprise; we are a larger small business—$20,000 is a lot of money, even for one item. But to have no cap in place—so that business can go out and spend $200,000 or $300,000 on different items—is a real concern. We would like to have seen a cap but, to compensate small businesses, we would like to have seen it in perpetuity, we would like to have seen the figure extended into the future.

Senator Cormann, in estimates, did give the impression that the government might review this measure after two years. That would be a sensible thing to do given the concerns we have about small businesses overspending in the short term. But it would also be worth reviewing because it might be something that needs to be extended into the future beyond those two years. So, apart from the budgetary implications, the clear message today is that this package has to encourage productive spending. We do not want it to be just a stimulus to help Harvey Norman and the other retailers—and, incidentally, most of that money will probably go directly overseas to the exporters of goods and services to this country. We actually want the money to stay in this economy and we want businesses to be very careful about how they plan for their capital.
It is widely acknowledged that proprietary limited companies are not the largest component of small business in this country. Therefore, when sole traders and partnerships can write off these kinds of deductions against their other income it presents the potential for rorts of the system. I have gone through in a lot of detail the measures in place to prevent that, and I am still concerned. I can still see some very valid scenarios where someone who is a sole trader—it is very easy to set it up: you go and get yourself a tax file number or an ABN and set up a partnership—could set up a business, buy $100,000 worth of capital over one or two years and then, after three or four years, say, 'I didn't do my business plan well enough. Sorry, I'm going to have to close my business down.' They are then left with items that they can sell or that they can use for themselves. There are a lots of situations I can see where that would be very realistic within the guidelines and within the rules. So we have to be very careful that the system is not rorted and ensure that this money is used for productive purposes.

In terms of the tax cut, we would like to have seen a bigger tax cut for small business. We did get the Parliamentary Budget Office to cost a tax cut of five per cent across the board, as the Leader of the Opposition, Bill Shorten, outlined in his budget in reply speech. But that would cost $6 billion in the forward estimates. In the end, we felt that the other provisions that were in place—the instant asset write-off and the loss carry-back provisions—were more important for businesses across the board so they should come as a package. A tax cut to small business is something that the Greens Party have led on. We have been very engaged with Labor to support small business in the last five years.

I must point out how cynical it is that this government took away the package to small business last year and then, 12 months later, gave it back, albeit with a few small changes. There are some other good things I would like to acknowledge in this small business package such as the laws around franchising, and I commend Minister Billson for his work on this. But how cynical it is that the government took away packages for small business. When they brought down the axe on the mining tax, they brought down the axe on small business. That led to considerable uncertainty for small businesses in terms of how they go about planning their future. And now the government are trying to claim credit via a $25 million advertising campaign on national TV for a small business package that in dollar terms is exactly the same as the package put in place by the Greens and Labor. The government took away $5.4 billion from the budget last year and they have brought back $5.4 billion in a package this year.

Small businesses should be aware that they have been supported previously by the Labor-Greens government just as they are being supported by this government. Let's make that very clear. Politics is very cynical and it is very ruthless, but this package we are seeing here today, in dollar terms, is almost identical to what was taken off you last year by the very same government. It is good that we have tripartisan support—or wider than that if we include the crossbench—for stimulus for small business for productive investment and giving small businesses a leg-up with a two per cent tax cut to proprietary limited companies and a five per cent deduction for other entities. It is good that this country has come together to help support the small business sector, but we have to be very clear here today that all of us have contracted to helping small business in this country. If you want to be entirely correct about this, then you would say that small businesses are just as well off today as they were 12 months ago when this government axed the benefits that were provided under the mining tax legislation. Senator Cormann, would no doubt say that that was not properly funded and that
that was a reason to take them away. But we argued at the time that they could have been well funded if we had just actually fixed the mining tax.

I learnt at university—and I used to teach my students this—that a good tax system taxes bad things such as pollution and health risks. A good tax levies taxes fairly across common pool resources that are owned by all of us such as superprofits on minerals. If necessary, and if it can, a good tax reduces tax on the good things such as work and effort. And that is what this is; this reduces a tax on the work of small business. What the Greens have always stood for is a very simple and basic philosophy that is well understood and well accepted by most economists: tax the bad things, the common pool resources, and reduce taxes on work and effort were possible. Of course, we also have the issue of bracket creep, which no doubt will need to be addressed by Senator Cormann in future.

This is the kind of thing we should be doing for small business. I would like to make it really clear here today that while we do have concerns—concerns that I would like to get on the record—around the $20,000 per item for only two years, we will be supporting the package. If we had had our way, we would have seen this capped at $20,000 per business, not per asset, and we would have liked to have seen it in perpetuity. We would also like to have seen a package in place—which I hope Senator Cormann will consider after two years—which helps small businesses have certainty, which helps them plan and which helps them get a productive return on their capital so that they can employ more Australians and create more wealth and prosperity, especially for our small communities, such as the one where I live in Tasmania. The Greens will be supporting this package.

**Senator CORMANN** (Western Australia—Minister for Finance) (10:35): Thank you to those senators who have contributed to the debate on these two important bills. The Australian economy is facing significant structural adjustments, and small businesses will play a very important role in that structural adjustment. Small businesses are adaptable, flexible and able to respond quickly and profitably to changing circumstances. Small businesses are often the entities that test and pioneer innovative ideas and business practices which are critical to future economic growth, job prospects and improved living standards. As such, the government’s small business and jobs package that we are asked to vote on today is a central part of the government’s long-term economic plan for stronger growth and more jobs and is designed to ensure that every Australian has the best possible opportunity to get ahead.

All of this makes it particularly important that the policy settings that we have put in place support small business growth and innovation. The Tax Laws Amendment (Small Business Measures No. 1) Bill 2015 amends the tax law to lower the company tax rate by 1.5 percentage points to 28.5 per cent, potentially helping up to 780,000 incorporated small businesses to retain more earnings and improve their cash flow. The lower tax rate will apply from 1 July 2015 for incorporated small businesses. These amendments will also enable small companies to distribute surplus franking credits accumulated in previous years, reducing the tax their owners pay when they receive dividends.

The Tax Laws Amendment (Small Business Measures No. 2) Bill 2015 amends the tax law to raise the immediate deductibility threshold under the small business simplified depreciation rules from $1,000 to $20,000 from 7.30 pm on 12 May 2015 budget night until 30 June 2017. This will allow small businesses to immediately deduct assets costing less than $20,000. Small businesses that purchase assets of $20,000 or more can use the simplified pooling
arrangements and depreciate these assets at 15 per cent in the first year and 30 per cent per year thereafter. The usual lock-out rules will also be suspended for the same period so that businesses that may have opted out of those simplified depreciation rules in recent years can choose to use them now that the threshold will be significantly higher.

These amendments will also provide a significant benefit to many primary producers with 97 per cent of primary producers being small businesses. To provide further assistance, the bill will also amend the tax law to allow all primary producers to access accelerated depreciation rates on fencing, water facilities and fodder storage assets from 7.30 pm on 12 May 2015. Primary producers can immediately deduct expenditure on fencing and water facilities such as dams, tanks, bores, irrigation channels, pumps, water towers and windmills, as well as fodder storage and assets such as silos and tanks used to store grain and other animal feed. These expenditures can be depreciated over three years. The amendments will improve farmers' cash flow, resilience and the need to track expenditure over time. Supporting small businesses and farmers in the hard times is essential to the success of the nation’s economy at large. I commend these bills to the Senate.

Question agreed to.

Bills read a second time.

In Committee

Senator WHISH-WILSON (Tasmania) (10:40): I would like to ask Senator Cormann what measures the tax department will put in place to prevent rorting of this package.

Senator CORMANN (Western Australia—Minister for Finance) (10:40): The government does not expect any additional rorting as a result of this package because the eligibility requirements in terms of what is an allowable tax deduction or what is an allowable investment into an asset that can be depreciated remain the same. All we are doing with this package when it comes to the $20,000 immediate asset write-off is to accelerate the period within which the value of an asset can be depreciated. So we bring the tax deduction forward in effect and we are increasing the value of the threshold where that can take place, the value of the asset to $20,000 up from $1,000. All other things remain the same. So all of the compliance arrangements to prevent rorting, as Senator Whish-Wilson refers to, remain the same and the tax office would ensure compliance with the usual conditions that apply to applicable tax deductions for small business, and other businesses for that matter, in the usual way.

Senator WHISH-WILSON (Tasmania) (10:42): Can the minister outline whether there has been any extra expenditure allocated to the tax department to administer the system, whether it is going to be under current—

Senator CORMANN (Western Australia—Minister for Finance) (10:42): No.

Senator WHISH-WILSON (Tasmania) (10:42): Can the minister outline why $20,000 was picked as a threshold per asset, per item?

Senator CORMANN (Western Australia—Minister for Finance) (10:42): We went through this at great length during Senate estimates and the answer remains the same. The government obviously, as we always do, considers a whole range of information and
obviously assesses and considers various options. We made a judgment that the $20,000 threshold was the appropriate threshold in the circumstances based on what was affordable within the budget and based on what would provide an appropriate incentive for small businesses with annual turnover of up to $2 million to encourage them to invest in their future success more Australians in the future.

Senator WHISH-WILSON (Tasmania) (10:43): Can the minister outline the take-up rates under the previous scheme where $6,500 was the instant asset threshold before your government took it away. I did ask this question at Senate estimates and there was no answer. I am interested to see what kinds of take-up rates we have had previously on $6,500 per item, was it a successful or popular measure and why the minister has confidence that there will be small businesses spending $20,000 per item.

Senator CORMANN (Western Australia—Minister for Finance) (10:43): That is the sort of question that is appropriately dealt with through the Senate estimates process. I would obviously have to take that sort of question on notice. I suspect in the ordinary course of events that answers to these sorts of questions will be provided to the relevant committee of the Senate consistent with the deadlines determined by the relevant committees which, on this occasion, is the Senator Economics Legislation Committee ably chaired by Senator Edwards.

Senator WHISH-WILSON (Tasmania) (10:44): Unfortunately, we are passing this legislation today without that information. I would have presumed that a lot of thought had gone into setting that threshold and that you would have been confident at least in a large uptake. No doubt the fact that you are spending money on television advertisements to promote this is because you are trying to get the best possible uptake for this issue but considering it has been in place now for a number of years and small businesses are aware of asset thresholds and are aware of what they can and cannot depreciate, I still feel it is very important that you explain to us today why you believe this will be successful and why you believe it will stimulate the economy.

Senator CORMANN (Western Australia—Minister for Finance) (10:45): The government obviously has considered a whole lot of information and a whole lot of advice. We made a judgement on what we believed was the best way forward to strengthen growth, create more jobs and help ensure that everyone across Australia had the best possible opportunity to get ahead. We are very confident that this measure, which invests in the future success of Australia’s small businesses, will be successful but of course, as with all of these things, ultimately Senate estimates committees will have the opportunity down the track to review performance against forecasts, and against the objectives that we have outlined. I suspect that we will have that conversation at a later day. Having said that, I do not think that any of this should be an excuse to delay consideration of this bill; none of this should be an excuse to not facilitate the efficient passage of this very important package through the Senate today.

Senator WHISH-WILSON (Tasmania) (10:46): Does the minister anticipate an increased uptake of this instant asset write-off from new businesses? Have you predicted, for example, registrations for ABNs or tax file numbers, or do you expect it to come from existing businesses?

Senator CORMANN (Western Australia—Minister for Finance) (10:46): The government believes that this will be a very successful measure. Obviously all of the relevant
information about what we expect the impact on the budget bottom line to be, on the revenue side, is published in the budget papers. We have gone through all of these arguments at great length during the Senate estimates process. There is nothing I can add today to the exhaustive and detailed information provided during the Senate estimates process.

Senator WHISH-WILSON (Tasmania) (10:47): Can the minister outline to the chamber why he did not consider the loss carry-back provision in the package that he took away from small business only 12 months ago?

Senator CORMANN (Western Australia—Minister for Finance) (10:47): The government considered a whole range of information and pieces of advice. We made a judgement on both what was desirable and what was affordable, and we made a judgement that the measure that we are debating today and that is reflected in the budget papers was the appropriate way forward.

Senator WHISH-WILSON (Tasmania) (10:47): Did the minister or the department consider a cap on cumulative expenditure on assets under the threshold—and if not, why not?

Senator CORMANN (Western Australia—Minister for Finance) (10:47): The government considered a whole range of different options and possible ways forward. In the end, having considered all of the relevant information, having considered all of the relevant advice and having made a judgement on what was desirable and what was affordable in the budget, we decided on the package that is before the Senate today, which we believe will be very successful in boosting growth and helping create more jobs.

Senator WHISH-WILSON (Tasmania) (10:48): Minister, you have not been able to give any information to me today around the potential uptake of the instant asset write-off by new or existing businesses, and you have not been able to give any information about why you set that at an optimal level for small business. So how did you cost this measure through Treasury without that information?

Senator CORMANN (Western Australia—Minister for Finance) (10:48): I think we are going round and round in circles. As I have indicated, the government has obviously made some assumptions in relation to the uptake of this measure in order to determine the impact on the budget bottom line. The government never considers second round effects—you only ever consider the first round effects in relation to these sorts of measures for budget purposes. The discussion that Senator Whish-Wilson wants to have here today is a discussion that is more appropriately had once the measure has been in place for a period and we can review how, essentially, this measure has performed against forecasts. That is not a conversation for today; that is a conversation for this time next year and even further down the track. As Senator Whish-Wilson has already indicated, this is a measure that is now proposed to be in place until 30 June 2017, so it is for a period of just over two years initially. At the end of that period we will be able to review how successful it has been in practice and we will be able to make informed judgements on what the appropriate way forward might be from that time onwards.

Senator WHISH-WILSON (Tasmania) (10:50): I just want to make a note here today that we wanted to raise these issues in the Senate rather than at Senate estimates, particularly at this committee stage before the bills are passed. We do have concerns about potential rorting and unintended consequences, which I outlined in my speech. We want to find out
what the thinking was behind setting an essentially uncapped contribution to assets and a $20,000 per asset threshold, given that it has come up from $1,000 to $20,000. The Henry review recommended $10,000 and previously the Labor-Green government settled on $6½ thousand. Was it simply that the budget could not afford the bigger amount or was it that we actually think this is going to be a productive package for small business?

Senator Cormann, could you just quickly outline to us what the expected expenditure will be in the budget, particularly on the asset depreciation part of the measure?

Senator CORMANN (Western Australia—Minister for Finance) (10:51): The problem with the Labor-Green government and the Labor-Green coalition on the opposition side these days is that they do not understand the difference between revenue and expenditure. There will be no expenditure in relation to this because this is a measure which reduces tax. What this measure does is to leave people with more of their own cash today in order to encourage them to invest that money, which is their money, in their future success. And by targeting it towards profitable small businesses with an annual turnover of up to $2 million, obviously, you are encouraging profitable and successful small businesses to invest in their future success and encouraging them to pursue an ambition to be the most successful that they possibly can be. And by being more successful into the future those small businesses will be able to employ more Australians who, in turn, will be able to pursue opportunities to be successful and get ahead.

So, there is no expenditure linked to this measure. We have already indicated to you that from a tax office point of view the administration of this measure will be managed from within existing resources. So the impact on the budget bottom line, which is of course reflected in black and white in the budget papers, is an impact on revenue, because effectively it is a tax cut. The $20,000 immediate asset write-off brings forward the capacity to deduct tax and it helps improve cash flow for profitable small businesses.

Senator WHISH-WILSON (Tasmania) (10:53): I will rephrase that: what is that number then, in terms of tax forgone, that has been brought forward? What are you expecting in terms of the impact further down the track?

Senator CORMANN (Western Australia—Minister for Finance) (10:53): Just to go back to the original question, as I said, there is no expenditure linked to this, as is clearly identified in the budget papers. Budget Paper No. 2 is where I would refer Senator Whish-Wilson to. The cost impact in terms of lower revenue from the $20,000 immediate asset depreciation measure is $1.8 billion and the overall impact of the small business tax cut is $3.3 billion over the forward estimates.

Senator WHISH-WILSON (Tasmania) (10:54): Thank you, Minister. In your previous statement you alluded to this package being targeted to profitable small businesses. Could you tell the Senate how many small businesses across this country are profitable?

Senator CORMANN (Western Australia—Minister for Finance) (10:54): Obviously, that changes from year to year and, obviously, in order to be able to benefit from a tax deduction you have to have taxable income. If you provide somebody with a capacity to more quickly depreciate the value of an investment in an asset of up to $20,000, then obviously the only way that is going to be of benefit to you is if you have taxable income against which you can depreciate the value of those assets. As I have indicated in my summing up speech,
potentially up to 780,000 incorporated small businesses will be able to benefit from various measures in this budget. All up, the small business package, targeted at small businesses with a turnover of up to $2 million dollar, potentially will benefit—up to 96 per cent of businesses across Australia. Obviously, to a degree, their level of profitability is something we will review after the event, after this financial year is finalised.

Senator WHISH-WILSON (Tasmania) (10:55): Does the minister expect an increasing debt for small business to capitalise—pardon the use of that word—on the use of the instant asset write-off thresholds and is this something you have considered in terms of risks?

Senator CORMANN (Western Australia—Minister for Finance) (10:56): That is a question, with all due respect, which ignores some of the practical realities. Obviously, in order to benefit from in particular the $20,000 immediate asset write-off you have to be profitable, you have to have a level of taxable income and obviously the businesses will have to meet the cost of the upfront investment. That is not a change compared to current circumstances except that of course we have increased the threshold that applies enabling people to still access that immediate asset write-off. Instead of having that apply to assets of up to $1,000 it now applies to assets of up to $20,000. Fundamentally in terms of the architecture of the capacity to make that immediate deduction, nothing changes. The only thing that changes is the threshold up to which it applies.

Senator WHISH-WILSON (Tasmania) (10:57): Obviously, economics is all about incentives and governments have a role in legislation providing those incentives, but you have significantly enhanced the incentives for small business to spend on capital over a short period. So I am interested in what risk factors you may have seen in terms of small businesses overspending in the next two years.

Senator CORMANN (Western Australia—Minister for Finance) (10:57): Small businesses are obviously the same—last year, this year and next year. They are the best judges of what is a sensible commercial investment into their future success as a business. The government does not second guess the investment decisions of individual small businesses. Obviously individual small businesses, as they have in the past, will in the future have to make judgments on whether particular investments make sense for them, whether they can afford to make a particular investment. What we are doing here very simply is to provide an incentive for those businesses that are profitable with an annual return of up to $2 million, to immediately write-off an investment into their future success as a business to a value of up to $20,000. So all of the other commercial judgments that small businesses across Australia make on a daily basis will continue to have to be made. Nothing changes as a result of what the government is doing.

Senator MILNE (Tasmania) (10:58): I want to follow up on Senator Cormann's comment with respect to the assumptions underpinning the government's calculation in this regard. Senator Cormann said a moment ago that the revenue loss was expected to be in the vicinity of $1.8 billion forgone. Can the minister explain what are the assumptions underpinning the calculation of $1.8 billion as the cost to Treasury.

Senator CORMANN (Western Australia—Minister for Finance) (10:59): I would make the point again that these sorts of questions are the reason why we have a Senate estimates committee process and why, after the budget is delivered, for two weeks from nine in the morning until 11 o'clock at night, we sit down in however many different committees looking
in very fine detail at every single one of the budget measures that the government has put forward—in order to drill down on these sorts of issues.

The important point to make here is that when we talk about a cost to the budget in terms of revenue forgone over the forward estimates, that is because of a bring-forward of a tax deduction that would have been able to be claimed in any event. Over time and eventually, businesses would have been able to claim the deduction for any such investment—but it would have been over a longer period of time. So I guess, over time, it will balance itself out.

**Senator MILNE** (Tasmania) (11:00): Notwithstanding the budget estimates process, I am informed by my colleague that no amount of questioning necessarily generates answers in that process.

In terms of your assumption that the revenue loss will be 1.8 billion, you are saying that it is based on nothing other than the assumption that, if it were a longer period of time, that would be the cost and you have brought it forward. Given that this is now available to a much greater extent and in a shorter possible time, is there no change to your assumption about the fact that you will see a greater number of businesses take it up? And secondly, what are the risk factors you took into account for people starting a small business with a view to being able to try and take account of this? That is notwithstanding the fact that if they do not make a profit, then obviously they cannot write this off; that is clear. You are saying that your assumption is no change of behaviour in terms of small business. What I am asking is, did you take into account changed behaviour of small business by bringing it forward in the manner you have? And, if that is the case, why have you just calculated the same amount as you would have written off over time—or the same amount as it would have cost the government in expenditure over time?

**Senator CORMANN** (Western Australia—Minister for Finance) (11:02): Firstly, I have not said that we did not assume any change in behaviour; that is, with all due respect, Senator Milne seeking to verbal my previous answer. Of course we assume that there will be an increased level of investment as a result of this measure and into the future success of small businesses across Australia—that is the whole purpose of this measure. And so of course we have assumed that there would be an increased level of investment in future growth—future small-business-driven growth—as a result of the measure that we are discussing here today; otherwise why would we do it? In terms of some of the other questions: small business always has and always will have to make their own judgements, in terms of what makes sense for them as a commercial investment—a private investment—in their future success.

Senator Milne asked me about the uptake by new businesses: well, obviously, if a new business is immediately profitable so that it makes sense for them to access this sort of opportunity, good luck to them—that is great. We want more new businesses to be successful, and we want more new businesses to take advantage of this opportunity to be even more successful into the future. But I guess the inbuilt protection in the system, and the inbuilt protection in this measure, is this requirement to be profitable and to have a liability for a level of taxable income—in order to be able to beneficially access this particular initiative. So, subject to all those conditions—whether you are a new business or an old business, as long as you fulfil all of the requirements; as long as it makes sense for you to invest in a particular asset or piece of equipment to facilitate stronger success in the future, and as long as it is an allowable deduction in relation to all of the other requirements in our tax laws—
then, obviously, we encourage small businesses across Australia to take advantage of this particular measure.

Senator WHISH-WILSON (Tasmania) (11:04): I just wanted to know whether it was a coincidence, Senator Cormann, that the new Small Business Package was $5.5 billion and you took away $5.4 billion only 12 months ago.

Senator CORMANN (Western Australia—Minister for Finance) (11:04): As I have indicated earlier, the government made a judgement based on a whole lot of information: based on considering a whole series of options, we made a judgement on what was both desirable and affordable. As a result of our efforts, over the first year in government we observed that the economy was now strengthening, that jobs growth was strengthening, that the budget position was improving, and that we were now on a credible and believable path back to surplus. We wanted to keep the momentum of stronger growth and stronger jobs growth going—which is why, as part of our focus on facilitating stronger growth in the context of significant structural adjustments in the mining sector and in various other parts of the economy, we made a judgement that this was the best way forward. And we also made a judgement on what was affordable in the context of the current budget position.

Senator WHISH-WILSON (Tasmania) (11:05): Senator Cormann, would you call this a stimulus package? And in relation to the $20,000 threshold that you put forward in the budget—given what you just said then about wanting to stimulate the economy and about the fall-off in mining investment—is this Small Business Package designed to fill that gap in investment spending in this country?

Senator CORMANN (Western Australia—Minister for Finance) (11:06): This is not your bad old Labor-Greens stimulus package of spending taxpayers’ money on overpriced school halls and pink batts. This is an initiative which lets small businesses across Australia have more of their own money in order to make judgements about how best to invest in their future success. It is a key part of our long-term economic plan to strengthen growth, to create more jobs and to bring the budget back into surplus as soon as possible. What the government have been doing since we were elected in September 2013 is implementing our plan for stronger growth. That is why we got rid of the job-destroying carbon tax. That is why we have got rid of the disastrous mining tax. That is why we have reduced red tape costs for business by more than $2 billion a year so far. That is why we are investing in economic-productivity-enhancing infrastructure. That is why we are working to improve market access for Australian businesses into key markets like China, South Korea and Japan. That is why we are pursuing an important package like this one: to encourage small business across Australia by having more of their own money at their disposal to invest; to encourage them to invest in their future success; to encourage them to become as successful as they possibly can be into the future so they can employ more Australians.

Senator WHISH-WILSON (Tasmania) (11:07): On the same question: has Treasury forecast any impact of this stimulus package—or this small business package if you prefer, Senator Cormann—specifically on investment in Australia?

Senator CORMANN (Western Australia—Minister for Finance) (11:08): As I have already indicated to the chamber, the costings of the government, consistent with all of the relevant requirements, do not include an assessment of second-round effects.
Senator WHISH-WILSON (Tasmania) (11:08): In relation to the last four to six weeks since the Treasurer announced this and that it would begin at the end of this tax year, can you tell us about feedback that you have received from both retailers and the small business sector? Is this why you are now spending $25 million on advertising this on national TV?

Senator CORMANN (Western Australia—Minister for Finance) (11:08): Feedback since budget night has been overwhelmingly positive, but of course we do want to ensure that small business proprietors across Australia are well aware of the opportunity in front of them to invest in their future success by being able to take advantage of the immediate asset write-off for investments of up to $20,000 and the various other features of our small business package. You are quite right, Senator Whish-Wilson—we are doing what needs to be done in order to ensure that small businesses across Australia are totally aware of the opportunities available to them.

Senator WHISH-WILSON (Tasmania) (11:09): With all due respect to you, Senator Cormann, I think you are verballing my question there. I understand from my own circumstances that, if a business is looking at expanding, this could be very useful. But if they are not, is this advertising campaign simply a ruse to get businesses to go out and spend more?

Senator CORMANN (Western Australia—Minister for Finance) (11:10): That is not a question—I take that as a political comment. Obviously, the government has put before the parliament, and today here before the Senate, a package of measures which we believe is central to our future economic success as a nation. We recognise the importance of small business as a key driver of economic growth into the future. This is a well-considered set of measures. Obviously, it is important to ensure that all those who are eligible to take advantage of this measure have the opportunity to be aware of it and to be aware of how it operates. That is why we are providing relevant information through various channels into the public domain. That is appropriate and it is consistent with past practice by governments of both persuasions. I will leave it there in response to that political comment.

Senator WHISH-WILSON (Tasmania) (11:10): It was not a political comment. As I mentioned in my speech on the second reading, every dollar that a small business puts towards their capital, and is therefore entitled to a depreciation deduction up-front on this measure, needs to be putting their business on a sustainable footing. Does the Treasurer accept that every dollar that small businesses put into capital should be to support the long-term sustainability of their business?

Senator CORMANN (Western Australia—Minister for Finance) (11:11): I have actually answered that question in many different ways over the last half hour or so. Small businesses in the past, small businesses today and small businesses into the future will be responsible for their own investment decisions, of course, their own decisions on how best to invest in their future success. As long as the various investments that they make qualify under the applicable tax laws as a tax deduction, then of course they will be able to claim that tax deduction. The government does not second-guess the commercial decisions made by millions of businesses across Australia. That is a matter for them. The reason we are pursuing this measure, the whole purpose of this measure, is to encourage profitable and successful small businesses to invest in their future success, to invest in being even more successful into the future. That is why the measure is structured as it is.
Senator WHISH-WILSON (Tasmania) (11:12): On that same question, does the minister acknowledge and accept, and has he incorporated, the very high failure rate of small businesses upon establishment into his calculations on this package?

Senator CORMANN (Western Australia—Minister for Finance) (11:12): Firstly, one of the very encouraging economic green shoots that has been emerging in recent times under this government is that the number of bankruptcies is actually trending down. That is good news, which I am sure is welcomed by senators right across the chamber. The second point is a point that I have also previously made: obviously, in order to be able to benefit from a reduction in income tax or from a measure like the immediate asset write-off for investment in assets of up to $20,000, you need to be a profitable business. So for a new business to be able to access this sort of measure, the new business would have to be immediately profitable in order to be able to practically take advantage of either a tax deduction or the immediate asset write-off. If you do not pay any tax, obviously you are not going to be able to benefit from a tax deduction. You cannot cut tax for people or businesses who do not pay tax. So it is self-evident that this measure is squarely aimed at encouraging and incentivising the future success, the stronger success, of businesses that are already profitable.

Bills agreed to.
Bills reported without amendments; report adopted.

Third Reading

Senator CORMANN (Western Australia—Minister for Finance) (11:15): I move:
That these bills be now read a third time.
Question agreed to.
Bills read a third time.

Governance of Australian Government Superannuation Schemes Legislation Amendment Bill 2015

First Reading

Bill received from the House of Representatives.

Senator CORMANN (Western Australia—Minister for Finance) (11:15): 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 CORMANN (Western Australia—Minister for Finance) (11:16): 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—

The Governance of Australian Government Superannuation Schemes Legislation Amendment Bill 2015 merges ComSuper, the current administrator of the Australian Government's civilian and military...
defined benefit superannuation schemes, with Commonwealth Superannuation Corporation (CSC), the trustee of the Australian Government schemes.

The merger forms part of the Smaller Government agenda which aims to reduce the total number of government entities by eliminating duplication and overlap and by simplifying inefficient and complex agency structures. Ultimately this agenda is about ensuring that the Australian Government is structured and operates in a way that delivers efficient services, robust advice and value for money for taxpayers.

Consistent with our Smaller Government agenda, the merger of ComSuper with CSC will improve the efficiency of the management of Australian Government superannuation by removing duplication and overlap. It will also provide CSC with control over the administration of the Australian Government's defined benefit superannuation schemes, consistent with CSC's regulatory responsibility for this function as trustee of these schemes.

The Government's decision to merge ComSuper with CSC reflects that CSC is ComSuper's sole client for administration services.

The merger is the next step in streamlining the governance of the Australian Government's civilian and military superannuation schemes, a process commenced in 2011 when the then three trustees of the schemes were merged to form CSC.

The merger provides for continuity of the management of the Australian Government superannuation arrangements under one Commonwealth entity. CSC will continue in existence, assuming responsibility for the delivery of administration services in relation to the Australian Government's civilian and military defined benefit schemes. CSC is a corporate Commonwealth entity for the purposes of the Public Governance, Performance and Accountability Act 2013 and will remain so after the merger.

The overall effect is that CSC will be responsible for the provision of administration services in relation to the Australian Government's civilian and military superannuation schemes for which it acts as trustee.

CSC will also be responsible for the provision of administration services in relation to the proposed new Australian Defence Force superannuation arrangements when they commence in 2016.

The reform will not change the design of benefits provided by the civilian and military superannuation schemes. Additionally, the bill does not affect the delivery of services, including benefit payments, to members of the schemes.

As a result of the merger, the bill transfers the assets and most of the liabilities of ComSuper to CSC. The administration services that CSC will perform in relation to the Australian Government's civilian and military defined benefit schemes will include:

- collection of member contributions;
- maintenance of member accounts;
- payment of lump sum and fortnightly pension benefits;
- communications with members and employers; and
- dispute resolution.

As a result of the reform, CSC will also undertake certain financial functions on behalf of the Commonwealth in relation to the Australian Government's civilian and military defined benefit schemes. This includes:

- paying superannuation benefits from Commonwealth appropriations;
- collection of administration fees and notional employer contributions from agencies that have employees in the superannuation schemes; and
- recovery of debts owing to the Commonwealth in relation to superannuation scheme payments.
CSC’s costs of administering the Australian Government’s defined benefit superannuation schemes will continue to be largely covered by administration fees collected from employer agencies. In order to maintain the current tax treatment of these fees and any monies that may be appropriated by Parliament for administration purposes, the bill amends CSC’s enabling act to make CSC exempt from income tax in relation to relevant payments.

As ComSuper will cease to exist on merger, the bill repeals ComSuper’s establishing act, the ComSuper Act 2011.

The bill also makes consequential amendments to Commonwealth Acts of Parliament governing the Australian Government’s civilian and military superannuation schemes, to take account of the merger. A range of transitional arrangements are included in the bill to support the implementation of the merger. Importantly, they include provisions dealing with the transfer of ComSuper staff from Australian Public Service employment to CSC employment. This transfer will be achieved through a determination of the Australian Public Service Commissioner under the Public Service Act 1999. Under these provisions, ComSuper staff will maintain their accrued entitlements to benefits on transfer to CSC employment. They will also continue to be covered by the ComSuper Enterprise Agreement at CSC, which will help to ensure that their remuneration and conditions of employment are no less favourable than those which applied to them immediately before the merger.

The bill also amends the Superannuation Act 2005 so that the cost of administering the Public Sector Superannuation Accumulation Plan (PSSAP), established by that act, will be deducted from the accounts of PSSAP members. These new arrangements will bring PSSAP into line with private sector accumulation superannuation funds where members pay for the administration of their accounts. The PSSAP administration fees will be determined by CSC.

This bill reflects the Government’s commitment to eliminating duplication and overlap by simplifying inefficient and complex agency structures. It provides continuity in the management of Australian Government superannuation, including both trustee and provision of administration services, under one Commonwealth body, namely CSC. This streamlining of the governance of Australian Government superannuation will improve the efficiency and effectiveness of the arrangements.

Senator CAROL BROWN (Tasmania) (11:16): The Governance of Australian Government Superannuation Schemes Legislation Amendment Bill 2015 merges ComSuper, the provider of administration services in relation to the Australian government’s civilian and military defined benefits superannuation schemes, with the Commonwealth Superannuation Corporation, the CSC, the trustee of the Australian government schemes. CSC, a corporate Commonwealth entity for the purposes of the Public Governance, Performance and Accountability Act 2013, will be the continuing government entity and will have responsibility for the overall management of Australian government superannuation schemes, including both trustee and administration services roles. The relevant schemes are the Commonwealth Superannuation Scheme, the CSS; the Public Sector Superannuation Scheme, the PSS; the Public Sector Superannuation Accumulation Plan, the PSSap; the Military Superannuation and Benefits Scheme, the MSB; the Defence Force Retirement and Death Benefits Scheme, the DFRDB; the Defence Forces Retirement Benefits scheme, the DFRB; the Defence Force (Superannuation) (Productivity Benefit), the DFSPB; the 1922 scheme; and the PNG scheme.

CSC will have similar responsibilities in relation to the proposed new military superannuation arrangements, which will commence on 1 July 2016, subject to the passage of proposed legislation. The merger will improve the efficiency of the management of the Australian government superannuation schemes by removing duplication and overlap that
exist as a result of two government bodies being involved in the delivery of administration services. The merger will provide CSC with control over the delivery of administration services in relation to the Australian government defined benefit superannuation schemes, consistent with its regulatory responsibility as trustee of the schemes.

It is important to note the bill does not change the benefit design of the civilian and military superannuation schemes. The bill also does not change the composition and the structure of the board of CSC, the trustee of the affected funds. The merger is expected to deliver savings of $0.5 million per annum. The changes that relate to the PSSap administration fees have estimated savings of $26.8 million over four years from 2015-16.

I will flag at this stage that Labor will be moving amendments to this bill, which have been circulated, when it comes to the committee stage. Labor does not oppose reducing duplication and finding efficiencies within the Public Service. Labor is very concerned that ComSuper staff who move to CSC are being transferred away from the APS and will lose their ability to apply for jobs in, and to transfer at level to, an APS agency and will be disadvantaged compared to APS employees. This is particularly important in Canberra, where the ComSuper staff are based and the majority of available jobs they may wish to apply for will be within the APS. If the government is determined to compulsorily transfer ComSuper employees to CSC, it should ensure all rights and entitlements are protected. Labor's amendments will protect these employees, who face an uncertain future, to achieve this and not affect the efficiency of the CSC. I will speak in more detail on the amendments later.

Administering the defined benefit superannuation schemes will require the CSC to draw on Commonwealth appropriations to pay superannuation benefits to members of the scheme, collect administration fees payable by the Commonwealth under legislation governing the schemes and recover debts owing to the Commonwealth, for example, arising from the overpayment of benefits. As CSC is a separate legal entity to the Commonwealth, the bill includes provisions to legally enable CSC to perform these functions on behalf of the Commonwealth. As the Commonwealth remains legally responsible for the functions, the bill enables the minister to make instruments in relation to these functions. These powers are currently available to the minister under the administration of ComSuper.

A CSC special account will be established. Administration funding, including administration fees collected by CSC on the Commonwealth's behalf from agencies with employees in the Australian government schemes, will be credited to the account. The account will form part of the CRF, and CSC will be able to debit the account to, among other things, pay costs incurred in the performance of its role as administrator.

As a result of the merger the statutory office of CEO of ComSuper will cease and the statutory agency of ComSuper will be abolished. ComSuper staff whose employment is transferred to CSC will become non-APS employees of CSC engaged under section 26 of the Governance Act. This will be achieved by determination of the Australian Public Service Commissioner under section 72 of the Public Service Act 1999. The transitional provisions in the bill will assist in maintaining the terms and conditions of employment of ComSuper staff on transfer to the CSC and meeting legislative requirements governing the transfer. Currently there are roughly 400 employees at ComSuper and, because of job duplication that may occur in the merger, a voluntary redundancy program will be undertaken. The targeted number of voluntary redundancies is 70 positions.
The merger is the single, largest forced transfer of employees out of the Public Service since the Australian Protective Service was removed. Concerns have been raised that because merger means that ComSuper will cease to exist—that is, staff will be compulsorily transferred out of the Australian Public Service to the CSC—but this forced change will affect their careers and make it more difficult to move to an APS agency. In the event that the new CSC downsizes, staff are also concerned at losing the redundancy rights that would allow them to be redeployed in the APS if their positions are cut.

As I flagged earlier, Labor will move amendments to this bill when it reaches the committee stage. Labor's amendments, which have been circulated, address these concerns by providing transfer ComSuper employees with the equivalent mobility rights to those they would have had if they had remained employed in the APS. Labor's amendments enable transferred ComSuper employees to move from CSC to APS agencies as if they were still an APS employee. These measures in Labor's amendments will ensure that ComSuper employees who transfer to CSC will be able to transfer at any level or win promotion to APS roles in other agencies. Labor's amendments ensure ComSuper employees who transfer to CSC are not disadvantaged in seeking and applying for a future role within the APS. Labor's amendments will apply for a period of three years. Our amendments are simple and sensible changes that address the concerns of ComSuper staff. I understand that the government has indicated its support for these amendments, and this is very welcome.

I am turned now to the substance of the bill. The bill includes consequential amendments to a range of the Commonwealth legislation governing the superannuation schemes to take account of the merger. In addition to dealing with matters arising from the transfer of ComSuper staff to CSC employment, the bill contains provisions that deal with a number of other transitional matters arising from the merger. This includes provisions to transfer the assets and most of the liabilities of ComSuper to CSC. To maintain consistency with the treatment of the administration funding currently received by ComSuper for provision of administrative services, the bill makes CSC exempt from income tax in relation to funding received from the Commonwealth for this purpose.

The other significant measure in this bill deals with the collection of the cost of administering the PSSap. The Governance Act and the 2005 act, which governs the PSSap, will be amended by the bill so that the cost of administering the PSSap will be deducted from member accounts, consistent with arrangements that apply in private sector accumulation superannuation funds. The changes that relate to PSSap administration fees have estimated savings of $26.8 million over four years from 2015-16. Until now, the government has covered the costs of administering the PSSap for its members. There are 127,628 members of the PSSap. While this bill will allow the CSC to set administration fees for the benefit of members, a rough, back-of-the-envelope calculation is that it will cost each member $52.50 a year, based on a $26.8m saving over four years. These new arrangements for PSSap members will bring PSSap members into line with members of private sector funds. Labor will not oppose this measure.

The two measures in this bill deal with the Public Service and superannuation, and so it is timely to examine the Abbot government's record. The Abbott government has shown its contempt for the Public Service by offering employees from several departments an unreasonable cut to their hard-won conditions on top of a pay cut in real terms. Under the
Abbott government's public sector workplace bargaining policy, every government department and agency has been left with nowhere to turn but to cut costs through cutting real wages and working conditions. The government cannot expect the Australian Public Service to function effectively when large numbers of staff are being sacked and those left behind are forced to fight for the most basic workplace entitlements. The Abbott government has recklessly gutted the Public Service even faster than planned with 11,000 full-time equivalent public servant positions gone in 2014 alone. Before the election Mr Abbott said that 12,000 jobs would be shed from the Public Service, but only through natural attrition. After the election he announced 16,500 full-time public sector jobs would be cut but they would not be through natural attrition. Most of these jobs are now gone, putting strain on the system and on the workers who remain. The Abbott government is so focused job cutting that it has ignored key drivers of efficiency, productivity and customer service. Labor believes in an affordable, sustainable and productive Public Service; but crudely retrenching staff, cutting jobs and reducing wages and conditions cannot lead to a more effective workforce.

Now I would like to the Abbott government's record on superannuation, which by any measure is poor. Let's look at the pause in the Superannuation Guarantee. The Superannuation Guarantee is currently 9.5 per cent. Under Labor the increase to 12 per cent was to take effect between 1 July 2013 and 1 July 2019. The Liberals announced their first delay as part of the original MRRT repeal bill. This delay postponed any further increase until 1 July 2016 and the full 12 per cent will take effect on or after 1 July 2021. Then, as part of the budget, Mr Hockey announced a second delay of a further 12 months, meaning the full 12 per cent will not be reached until 1 July 2022. Now, as part of a deal with Palmer United, the Liberals have made a third delay, meaning the full 12 percent will not be reached until 1 July 2025. These pauses come in the wake of the Prime Minister's promise before the election, on no less than 14 occasions, that there would be no unexpected, adverse changes to superannuation. That promise seems to have gone the way of so many of the Prime Minister's pre-election promises. In a way we should not be surprised, because this Prime Minister is on record as saying:

Compulsory superannuation is one of the biggest con jobs ever foisted by government on the Australian people.

Also, he has said,

We have always as a Coalition been against compulsory superannuation increases.

To further examine the Abbott government's record on fairness in superannuation, let's look at the low-income superannuation contribution. As part of the MRRT repeal, the Liberals will repeal the low-income superannuation contribution from 1 July 2017. The low-income superannuation contribution is a superannuation contribution made on behalf of individuals with an adjusted taxable income of $37,000 or less in an income year. The maximum contribution amount payable is $500. The contribution is designed to broadly return the tax paid on concessional contributions by an individual's superannuation fund.

The Abbott government's cut will take effect from 1 July 2017. Approximately 3.6 million low-income earners will be affected by this cut. Two-thirds of these people will be women. The repeal will negatively impact on the retirement savings of almost one in two women. Taken together with the pause in the superannuation guarantee, the industry estimates that the combined negative impact on national savings by 2025 will be $150 billion.
At budget estimates, it was revealed the government did not request that Treasury model the impact of repealing the LISC on superannuation savings for Australians. The LISC is a measure that has been described by Industry Super Australia as the single most important policy setting in the super system which helps to address inequity in savings gaps whereby women are currently retiring with about 40 per cent less than men. Yet again, the Abbott government has decided to scrap it.

I would like to conclude where I started by reiterating that Labor does not oppose reducing duplication and finding efficiencies within the Public Service. However, we are concerned that ComSuper staff who move to the CSC are being transferred away from the APS and will lose their ability to apply for jobs in and transfer at level to an APS agency. We are concerned that they not be disadvantaged compared to APS employees. In a city like Canberra this is an important factor because, in Canberra, where the ComSuper staff are based, the majority of available jobs they may wish to apply for will be within the APS. It is Labor’s belief that if the Commonwealth government is determined to compulsorily transfer ComSuper employees to CSC they should ensure all rights and entitlements are protected. The amendments Labor has circulated will protect these employees, who face an uncertain future, and will not affect the operations of the CSC.

Senator CORMANN (Western Australia—Minister for Finance) (11:32): Firstly, I would like to thank Senator Brown for her contribution to this debate. I would also like to place on record my appreciation for the very positive and constructive role played by the shadow minister for financial services and superannuation, Mr Ripoll, and his team in working with the government in coming up with a sensible way forward.

The Governance of Australian Government Superannuation Schemes Legislation Amendment Bill 2015 merges ComSuper, the administrator of the Australian government’s civilian and military defined benefits superannuation schemes, with the Commonwealth Superannuation Corporation, which is the trustee of the Australian government schemes. The merger was announced in the 2014-15 budget as part of the government’s smaller government agenda. This agenda aims to reduce the total number of government entities by eliminating duplication and overlap and by simplifying inefficient and complex agency structures. The smaller government agenda has so far seen the number of government bodies reduced by 286 and achieved savings of about $1.4 billion to repair the budget and to help fund other higher policy priorities. Fundamentally, this agenda is about ensuring that the Australian government is structured and operates in a way that delivers efficient services, robust advice and value for money the taxpayers.

Before addressing some of the points raised in this debate, I want to briefly go over some of the ways in which the bill will give effect to the merger of ComSuper with CSC. The general principle for the merger which is reflected in the bill is that the functions that ComSuper currently performs will be performed by CSC from the commencement of the merger, bringing the management of the Australian government schemes under a single body that will improve the efficiency of these functions by removing duplication and overlap. The merger will also give CSC control over the provision of administration services in line with its regulatory responsibilities as trustee of the Australian government superannuation schemes.
Importantly, the bill does not change the design of benefits provided by the Australian government schemes or affect the delivery of services, including payment of benefits to members of those schemes. The administration services that will be provided by CSC include the collection of member contributions and payment of lump sum and fortnightly benefit payments. As a result of its new administration services role, CSC will also perform several functions for and on behalf of the Commonwealth. These include, for example, the payment of superannuation benefits from Commonwealth appropriations. The bill transfers the assets and most of the liabilities of ComSuper to CSC.

The staff of ComSuper will be separately transferred from Australian Public Service employment to CSC employment by way of a determination by the Australian Public Service Commissioner under the Public Service Act 1999. The bill includes a range of transitional provisions to cater for the transfer of ComSuper staff to CSC employment. Under these provisions, ComSuper staff will continue to be covered by the ComSuper enterprise agreement on transfer to CSC. This will assist in ensuring that the remunerations and conditions of employment are no less favourable to those which apply to them immediately before the merger. ComSuper staff will also maintain their accrued entitlements and benefits on transfer to CSC.

The bill also makes consequential amendments to several acts of parliament governing the civilian and military superannuation schemes. Additionally, the bill amends the Superannuation Act 2005 to bring the arrangements for public sector superannuation accumulation plan members into line with the arrangements for members of private sector accumulation superannuation funds. Under the new arrangements, the cost of administering the PSSap will be deducted from member accounts. These PSSap administration fees will be determined by the Commonwealth Superannuation Corporation. I note that the Commonwealth Superannuation Corporation has published fees for PSSap on its website, including a monthly administration fee of $5 per month. These fees are, of course, subject to the passage of this bill.

Overall, the bill delivers on the government's commitment to streamline the management of Australian government superannuation by merging ComSuper with CSC. The merger provides for continuity of administration services in relation to the Australian government's civilian and military defined benefit schemes by removing duplication and overlap in existing structures. The opposition indicated during debate in the House of Representatives that they will be moving amendments to provide former ComSuper staff with some time-limited mobility rights equivalent to those they would have had if they had remained in the Australian Public Service. I appreciate, as I have indicated before, that the shadow minister for financial services and superannuation, Mr Ripoll, has given some notice of those amendments in advance, and I will make some brief comments on those proposed amendments in the committee stage of the debate. I commend this bill to the Senate.

Question agreed to.

Bill read a second time.

In Committee

Bill—by leave—taken as a whole.
I move opposition amendment (1) circulated in the name of the Leader of the Opposition in the Senate, Senator Wong, on sheet 7713:

(1) Schedule 2, item 11, page 29 (after line 30), after subitem (3), insert:

(3A) Sections 26 and 27 of the Public Service Act 1999 apply in relation to the person as if:
(a) the person were an APS employee in an Agency (within the meanings of that Act); and
(b) CSC were the Agency referred to in paragraph (a); and
(c) the chief executive officer (however described) of CSC were the Agency Head of the Agency referred to in paragraph (a).

(3B) For the purpose of filling a vacancy that exists in an Agency (within the meaning of the Public Service Act 1999):
(a) the person is taken to be an APS employee in an Agency (within the meanings of that Act); and
(b) CSC is taken to be the Agency referred to in paragraph (a).

(3C) Subitems (3A) and (3B) have effect in relation to the person:
(a) for the relevant period; and
(b) while the person remains employed by CSC (whether or not the person has been identified by CSC as excess or potentially excess); and
(c) as if the person continued to have the classification and category of APS employment that the person had immediately before commencement.

(3D) If a person moves to an Agency under section 26 or 27 of the Public Service Act 1999 (as those sections apply under subitem (3A)), the person is taken to be engaged under section 22 of that Act by the Agency Head of that Agency, on behalf of the Commonwealth, as an APS employee in that Agency (within the meanings of the Public Service Act 1999).

(3E) In this item:

relevant period, means:
(a) in relation to the application of subitem (3A)—the period of 3 years from commencement; and
(b) in relation to the application of subitem (3B)—whichever of the following periods ends earlier:
(i) the period of 3 years from commencement;
(ii) the period beginning on commencement and ending on the day on which clause 2.9A of the Australian Public Service Commissioner's Directions 2013 (as in force at commencement) is modified or revoked so as to remove the restriction on notification of vacancies as being open only to persons who are APS employees.

As I mentioned in my speech on the second reading of this bill, concerns have been raised that, because the merger means that ComSuper will cease to exist and its staff will be compulsorily transferred out of the Australian Public Service, APS, to the CSC, this forced change could affect their careers and make it more difficult to move to an APS agency. In the event that the new CSC downsizes, staff are also concerned about losing their redundancy rights that would allow them to be redeployed in the APS if their positions are cut. Labor's amendment will address these concerns by providing transferred ComSuper employees with broadly equivalent mobility rights to those they would have had if they had remained
employed in the APS. Labor's amendment enables transferred ComSuper employees to move from the CSC to APS agencies as if they were still an APS employee. These measures in Labor's amendment will ensure that ComSuper employees who transfer to CSC will be able to transfer at any level or win promotion to APS roles at other agencies. Labor's amendment ensures ComSuper employees who transfer to CSC are not disadvantaged in terms of seeking and applying for a future role within the APS. Labor's amendment will apply for a period of three years. Our amendment is a simple and sensible change that addresses the concerns of ComSuper staff. I would like to thank the Minister for Finance, Senator Cormann, for working constructively with the opposition on addressing our concerns.

Senator CORMANN (Western Australia—Minister for Finance) (11:40): As I have indicated, the government appreciates that the opposition have taken a constructive approach in relation to this bill, recognising that it makes sense to put the administration staff into the same structure as the trustee rather than have an artificial single client service arrangement. The main substantive issue that the opposition have raised is the question of APS mobility. The opposition amendment to this bill will provide transferring ComSuper staff with mobility rights broadly equivalent to those they would have had if they remain in the APS for a three-year period. I might just pause here to advise the chamber that this is a very unusual circumstance, and, arguably, it is quite a unique circumstance as result of a merger between government entities with APS staff moving to a non-APS agency. As such, the government has been quite comfortable in working with the opposition in relation to this particular matter. It does not, in our view, set a precedent for what may or may not happen down the track in relation to other mergers between APS agencies in particular.

It should also be noted that the current arrangements restricting non-APS employees from applying for most APS jobs were also only temporary. As of 1 July 2015, new arrangements, as indicated in the budget, will afford agency heads the flexibility to manage recruitment, including by considering candidates not already employed within the Australian Public Service, without the need for external approval. As a result, ComSuper staff that are transferred to CSC employment at the commencement of the merger will, regardless of the opposition amendment, have opportunities to seek to return to APS employment if they wish to do so. If mobility arrangements are agreed by the Senate, as proposed in this amendment initiated and moved by the opposition, it is proper that they should be subject to a specified time frame. This amendment proposes a period of three years from commencement. While the government would ideally have preferred a shorter defined period as more appropriate, we do appreciate that these amendments still have temporary effect only and cease to apply after three years.

The CHAIRMAN: The question is that opposition amendment (1) on sheet 7713 be agreed to.

Question agreed to.

Senator CORMANN (Western Australia—Minister for Finance) (11:43): I might just advise the chamber that, given that this amendment has just passed the Senate, it is the government's intention to support the passage of this bill as amended in the House of Representatives.

Bill, as amended, agreed to.
Bill reported with an amendment; report adopted.

**Third Reading**

Senator CORMANN (Western Australia—Minister for Finance) (11:44): I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**Business Services Wage Assessment Tool Payment Scheme Bill 2014**

Business Services Wage Assessment Tool Payment Scheme (Consequential Amendments) Bill 2014

**In Committee**

Bills—by leave—taken together and as a whole.

The CHAIRMAN (11:45): On 17 March 2015, the Senate agreed to recommit these bills and that the committee would resume consideration of the bills in the form in which they stood immediately prior to their being negatived in committee on 24 November 2014.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (11:46): I table a further supplementary explanatory memorandum relating to further government amendments to be moved to the Business Services Wage Assessment Tool Payment Scheme Bill 2014.

Senator MOORE (Queensland) (11:46): The opposition has a number of amendments, which we have circulated this morning. They follow through the same procedure and the policy position we had the last time this bill was before us.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (11:47): by leave—I move government amendments (1) to (6) on sheet EH170:

Clause 3, page 2 (line 10), as amended, omit —1 July 2015, substitute —1 May 2016.


Clause 13, page 13 (line 5), as amended, omit —1 July 2015, substitute —1 May 2016.


I also seek leave to move government amendments (1) to (22) on sheet HK115 together.

Leave granted.

Senator FIFIELD: I move government amendments (1) to (22) on sheet HK115:

(1) Clause 3, page 2 (line 8), omit "1 December 2015", substitute "1 December 2016".

(2) Clause 3, page 3 (line 1), omit "1 September 2016", substitute "1 September 2017".

(3) Clause 3, page 3 (line 3), omit "31 December 2016", substitute "31 December 2017".

(4) Page 3 (before line 7), before clause 4, insert:

**3B Principles for nominees**

This Act and the rules are intended to reflect, in relation to nominees, the following principles:

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**CHAMBER**
(a) all adults have an equal right to make decisions that affect their lives and to have those decisions respected;

(b) persons who require support in decision-making must be provided with access to the support necessary for them to make, communicate and participate in decisions that affect their lives;

(c) the will, preferences and rights of persons who may require decision-making support must be respected;

(d) laws and legal frameworks must contain appropriate and effective safeguards in relation to interventions for persons who may require decision-making support, including to prevent abuse and undue influence.

Note: The safeguards referred to in paragraph (d) are provided in this Act (see for example section 54) and the rules.

(5) Clause 12, page 11 (line 6), omit "1 December 2015", substitute "1 December 2016".

(6) Clause 12, page 11 (line 9), omit "1 December 2015", substitute "1 December 2016".

(7) Clause 12, page 12 (line 3), omit "2016", substitute "2017".

(8) Clause 12, page 12 (line 4), omit "1 September 2016", substitute "1 September 2017".

(9) Clause 12, page 12 (line 6), omit "1 December 2016", substitute "1 December 2017".

(10) Clause 12, page 12 (lines 7 and 8), omit "31 December 2016", substitute "31 December 2017".

(11) Clause 15, page 13 (line 26), omit "1 July 2014", substitute "1 July 2015".

(12) Clause 15, page 13 (line 27), omit "30 November 2015", substitute "30 November 2016".

(13) Clause 15, page 14 (line 4), omit "1 December 2015", substitute "1 December 2016".

(14) Clause 16, page 14 (line 12), omit "1 December 2015", substitute "1 December 2016".

(15) Clause 18, page 15 (line 27), omit "1 December 2015", substitute "1 December 2016".

(16) Clause 21, page 18 (line 27), omit "1 September 2016", substitute "1 September 2017".

(17) Clause 21, page 18 (line 30), omit "1 December 2016", substitute "1 December 2017".

(18) Clause 22, page 19 (line 13), omit "31 December 2016", substitute "31 December 2017".

(19) Clause 22, page 19 (line 15), omit "30 November 2016", substitute "30 November 2017".

(20) Clause 38, page 30 (line 11), omit "1 January 2017", substitute "1 January 2018".

(21) Clause 102, page 65 (line 14), before "The", insert "(1)".

(22) Clause 102, page 65 (after line 19), at the end of the clause, add:

(2) To avoid doubt, the rules may not do the following:

(a) create an offence or civil penalty;

(b) provide powers of:

(i) arrest or detention; or

(ii) entry, search or seizure;

(c) impose a tax;

(d) set an amount to be appropriated from the Consolidated Revenue Fund under an appropriation in this Act;

(e) amend this Act.

(3) However, to avoid doubt, rules that make provision in relation to:

(a) the payment amount for a person; or

(b) amounts of remuneration or allowances for the purposes of subsection 27(4); or
(c) amounts of costs, expenses or other obligations for the purposes of paragraph 98A(1)(e);

are not to be taken to set an amount to be appropriated from the Consolidated Revenue Fund under an appropriation in this Act for the purposes of paragraph (2)(d) of this section.

These are minor but important amendments that support the intended operation of the new payment scheme. I should indicate that, at the request of Senator Madigan, there are amendments that insert principles for nominees and supported decision making into the primary legislation. The principles were originally intended to be included in regulation, but this amendment highlights the importance of the provisions to ensure that the rights of people with intellectual disability are protected in line with current best practice, as identified by the Australian Law Reform Commission.

The amendments also adjust the dates for the operation of the scheme to reflect that the scheme will be starting later than originally intended. Former and current eligible employees will have to register to participate in the payment scheme if it is indeed legislated. The registration deadline will be moved from 1 July 2015 to 1 May 2016. This means that a person will have to take action to register before 1 May 2016. In addition, the Scrutiny of Bills Committee raised concerns about the extent of the minister's powers to make rules. The amendments clarify the extent of the minister's powers to make rules by setting out, to avoid doubt, certain matters that may not be addressed by the rules.

While I am on my feet, since it has been a little while since this bill has been before the chamber, I will just briefly recap as to the necessity of this bill. Colleagues will be aware of the fact that the Federal Court found in relation to two individuals that there had been indirect discrimination as to how the business services wage assessment tool—the BSWAT—had been applied in those particular circumstances. The Federal Court decision related to the circumstances of those two individuals. It was not something that related more broadly.

Nevertheless, the government recognised that there were some issues in various parts of the community in relation to the business services wage assessment tool. The government sought to do three things to help create a more certain environment for Australian disability enterprises and also for supported employees. The first of those was the Department of Social Services, during the caretaker period before the last election, made application to the Human Rights Commission for a temporary exemption of the operation of the Disability Discrimination Act as applied to the BSWAT. The purpose of seeking that temporary exemption was to ensure that disability enterprises who had used the BSWAT did not have concerns that they could potentially be operating outside of the law.

A temporary exemption was sought for three years. The Human Rights Commission granted it for one year. The reason why a three-year exemption was sought was to allow time for a new wage assessment tool to be developed that enjoyed broader confidence and support. As colleagues are probably aware, that one year exemption recently expired and the Department of Social Services made application for both an interim exemption and, also, for a further 12 month exemption. The purpose of the interim exemption being to allow the commission time to consider the request for a 12 month exemption. The interim exemption was granted.

That was the first thing—to seek a temporary exemption from the DDA applying to the BSWAT. That was intended to deal with the present at that time; to provide a certain operating environment for disability enterprises. We as a government also sought to do
something to address the future. I announced over a year ago, I guess, that we would set aside $173 million to do a few things to help support consultations in the development of a new wage assessment tool, but, also, importantly, to assist disability enterprises with the transition to the likely higher costs of a new wage assessment tool. So that was something to deal with the present, in terms of the application for a temporary exemption from the DDA, and something to deal with the future in terms of the $173 million to develop a new wage assessment tool and help with transition costs. Also, through this piece of legislation we have sought to do something to address the past. We have sought to provide an opportunity and a choice for supported employees who have been assessed under the Business Services Wage Assessment Tool.

Colleagues will be aware that there is a representative action afoot under the auspices of Maurice Blackburn, and what this legislation seeks to do is to provide supported employees with an option. At the moment, the only option is the representative action and, as we all know, with legal action there is no certainty as to what might ultimately result. The purpose of this legislation is to seek to give some certainty to disability enterprises and to supported employees. The intention of the payment scheme that we have before us is: that individuals would have the opportunity to take part in a payment scheme that would take into account the length of service that they have given in a disability enterprise; that there would be a formula to determine that the payments that individuals would have; and that that would be a quick process with a certain outcome and a definite amount of money. It is important when we are talking about individuals, particularly those who have intellectual impairment, that there be important safeguards built in. There are important safeguards here. For someone to be eligible to take part in the BSWAT payment scheme, they would be required to furnish evidence that they had received independent legal advice and independent financial advice. Under the payment scheme, the federal government would pay for that independent legal advice and that independent financial advice. People would be required to demonstrate, before taking part in the payment scheme, that they had received that independent advice. Again, I emphasise that the Commonwealth would pay for it.

Also, we have some other important elements under the payment scheme legislation. Receiving a payment under the payment scheme would not affect an individual's social security entitlements that they may be in receipt of. I think that is an important comfort for people, as well. In addition, there would be a lump sum in arrears tax offset where that was relevant. We want to make clear that, basically, receiving a payment in the payment scheme will not affect someone's tax situation or their social security payments. They are also important protections.

Colleagues may also recall that an amendment was moved by some of my crossbench colleagues in this place—I think by Senator Lazarus with the support of Senator Wang and other crossbench colleagues—to introduce an indexation arrangement in relation to the BSWAT payment scheme. The indexation would be the CPI rate for each relevant year in the period relating to payment amounts, from 2003-04 to 2013-14, and the CPI rate would be applied to individual years to give a compounding effect. The effect of that amendment would be to increase individual amounts paid to claimants in the scheme. The original legislation has been enhanced by an amendment from the crossbench, which the government supported, but the most important point here is that this legislation does not seek to take rights away from
individuals and it does not seek to take choice away. Yes, the legislation does state that an individual has to choose whether they want to take part in the BSWAT payment scheme or the representative action. Some have contended that the legislation removes legal rights. It does not do that. It is completely and absolutely open to an individual to say, ‘We want to pursue our rights at law; we want to take part in the representative action.’ Nothing in this legislation prevents an individual from doing that if that is their choice. But if that is the path that is chosen the payment scheme is not an option for them. On the other hand, someone can elect, after receiving the independent legal and financial advice, which the Commonwealth will pay for, to take part in the payment scheme, and in so doing that is the option that they have chosen.

What is incontestable is that if this legislation does not pass there will be a choice and an option that is not available to supported employees who have been assessed under the BSWAT. If this legislation is not passed, the only avenue available for an individual will be the representative action. If this legislation is passed, there is another option which is presented for supported employees who had been assessed under the BSWAT. They will have the option of the representative action, or they will have the option of the payment scheme. But the choice is that of the individual. So this legislation seeks to give a choice that is not currently there. If this legislation is not passed, then there will be an option which is denied to supported employees.

These matters, I think, have been well-canvassed over an extended period of time. They have been well canvassed by the government, well canvassed by the opposition, well canvassed by the crossbench, well canvassed in this chamber, well canvassed in disability enterprises and well canvassed in a number of public forums. So I think that the choices are fairly clear. This legislation seeks to give an option that is not currently there. Importantly, there are safeguards in this legislation to ensure that people who are examining the option of the payment scheme get legal and financial advice and that that financial advice is funded. The intent is that people can make a good, sound and informed assessment of the options that are before them. We want people to make choices that they believe are in their best interests. That is what we want. We want to provide a choice for that. More than that, we are providing financial support for independent legal advice and independent financial advice.

Given the time that had elapsed since this matter was last before the chamber, I thought it might be useful for colleagues for me to recap on the history of this matter: what the government sought to do to deal with the present, what the government is seeking to do to deal with the future, and what the government is seeking to do to deal with the past.

The CHAIRMAN: I advise you, Senator Moore, that I have now received 24 amendments circulated by you. There is also an explanatory memorandum. If you would like to seek leave to table that, I think this would be an appropriate time to do so.

Senator MOORE (Queensland) (12:02): I seek leave to table that.

Leave granted.

Senator MOORE: I table that.

The CHAIRMAN: The question before the chair is that amendments (1) to (6) on sheet EH170 be agreed to.
Senator MOORE: Thank you, Minister, for that overview of what has gone before this time. It is very clear that there is an acknowledgement that people working in the enterprises were working in a discriminatory workplace. That has been determined. We had the ruling from the Federal Court. I will be asking questions, Minister, about where the development of the new tool is at. When we debated this bill last time, I asked where the development of the new tool was at, and I was told that it was in train. So I am hoping that it is kind of in train now.

When the Senate community affairs committee looked at this bill originally, there was a great deal of concern raised by people who came to see us. That concern was not just about the fact that people were not being paid—as was said to many of us—a fair day's pay for a fair day's work. It was about the confusion amongst not just the ADEs or the employees but also their families about exactly what the situation with their employment was. As we know—and we have heard this consistently—there is a deep personal relationship between many of these employees and their employment. They value their employment immensely. It is their link, it is their social engagement, and it is also their feeling of worth in their community.

Once the decision was made by the court that the BSWAT tool, as it was then placed, was discriminatory, there was a need then for people to go back and consider exactly what should be the form of employment wages for people working in these ADEs. At that time, we said consistently that it was so important for people to get together to talk about this to really identify what the needs are, to identify the viability of the process and to ensure that people were effectively linked to their employment.

The amendments that we have before us only change a couple of things. They change the dates, because, of course, as this legislation was first tabled last year, there is a need to change the actual implementation date. The first range of government amendments are just doing that, so of course there is no problem with that. The other bunch of government amendments bring forward a couple of issues. One issue is around informed decision making. I had a particular question about that, Minister, in terms of the words in the government amendment and in terms of the placement of the government amendments. In the government amendment, the principles for nominees are spelled out there. As you know, in our inquiry we looked at that in a detailed fashion. In the opposition amendments, we also have very similar wording looking at the same outcome, which is ensuring that we have a consistency of supported decision making across this area. We have them in our amendments under 4A, 'General principles guiding actions under this act,' and we would like to get some information from the minister and the department to compare and contrast them.

The major opposition amendments are picking up the issue, which the minister talked about in his contribution, about the element of choice in this legislation for the people who are involved. It is important that there is informed choice. I have a number of questions—as I had last time—about the access that people will have to the support that they need to make informed choices. More particularly, this is not an open choice. What we are saying in this employment is that we know there has been discrimination in the workplace; that people need to be, in some senses, compensated because they have not been paid fairly. So the department and the minister have, quite rightly, come up with a new way of looking at the way that people are being employed and some kind of payment with a back payment that
acknowledges that. We really support that, because people know that they have not been treated fairly, so the government payment is to ensure that people have that security. The minister has portrayed that this is an open choice by people: if this bill passes, they can actually get the government payment. But that would exclude them from any benefit out of the legal processes to look fairly at whether they have been discriminated against and whether they should have a higher wage rate.

That legal action is in train. We know that it will take a long time. Legal action of this type takes a long time. We had evidence at our inquiry that they had no idea when this particular action would be concluded. We also know that the people who were involved, the families, were interested in being part of that. They went through that process and have seen the success of that legal action, taken by a gentleman almost two years ago. So there is interest in that.

This bill says, 'We acknowledge that, but you as individuals, who, in some cases are the most vulnerable employees in any source of employment in this country—people with intellectual disability—will now have the responsibility, with the support of financial advisers and lawyers, to make the decision: either take the money the government has offered you or take personal legal action. You can't do both.'

We are saying that is a restriction, Minister, and that you should not limit that option and that choice for these workers. We are also saying in the amendments, which will be before you today and which are different to the ones we brought forward last year, that we do not need the complexity of having a repayment process, as we had in our previous amendments. We have advice that if people do take up the legal process, as well as maintain their work in the enterprise, when any decision is made then payment that they have received under the departmental process would be taken into account along with payments they have received through the legal process.

So it is not a process of them getting a double benefit. It is actually a process that allows workers to have the freedom, the full options, the full potential and the rights that they as workers should have—workers who have already been determined by the system to have not had an equitable employment process. There is no doubt about that. In the evidence at our inquiry, from the department and also from different people, it was clear that there was an acknowledgement that the BSWAT model was discriminating against people in the workplace. We know that you cannot make a general process and say that everybody is being treated the same way. But we know that the court determined that this particular model was discriminatory, so people had missed out on their rights. The minister actually talked about the past and about where that fact had been determined it was acknowledged that there needed to be a change. He talked about the present and about the process whereby people would be able to receive support for legal and financial advice. But what he did not talk about was the future and the way that we think the system should operate.

Labor believe these workers should have absolute freedom of choice. They should be able to understand their circumstances, what they are now being paid and for what. They should be able to understand the changes that would be available in the process with the modelling that the departmental process will bring in. They also need to understand how that works and how they will be individually impacted. Then central to that must be the acknowledgement that, if there is going to be a class legal action for this body of workers, people should not be
excluded from that. That means that they do not have the full choice that they deserve. That is what our amendments would lead to.

One thing that is most concerning in this whole discussion—and we have had visitations from so many groups and so many families—is that the families are worried and scared about the wellbeing of their family members. They have been upset by the actual processes that have gone on. They are worried about the future for these employees and about the need for them to fully understand the legal and financial situation.

Our amendments, which we will be moving, are not, in many ways, in complete contradiction to what the minister has said. But the core difference between what we believe should happen and what the minister is putting forward is that Labor do not believe that the choice offered by the department and by the minister is a full choice. We believe that we are limiting the choice for those employees. They have the right to have their options fully tested and the right to determine whether they are getting the right payment for the work they do. And by cutting off that legal option they may never know. They will just accept what the department gives them and continue with the status quo: they are told what their wages should be and they accept it. That is not good enough.

It is not just me saying that that is not good enough; that is what the Federal Court said. It said that the BSWAT model did not allow that process. So with respect to the government amendments that are before us, the changing of the date, on the first page, I would imagine that is just a case of making the system operate. There is no problem with that. We just have a difference around the decision-making process and also the options of legal process.

The CHAIRMAN: Thank you, Senator Moore. Earlier I incorrectly described a document you were seeking to table as an explanatory memorandum. Of course, it is not. As you well know, it is a statement of reasons and there is a specific process that I will deal with when we get to your amendments.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:13): Thank you, Chair, and Senator Moore for the contribution. The principles for nominees, which are in our amendments, are the finalised principles of the Australian Law Reform Commission, which occurred about the time that the legislation was last before the Senate. Given that the opposition amendments have only just been circulated, I have not been able to compare word for word, but it may be that the opposition's wording is taken from the NDIS legislation. I think the Australian Law Reform Commission's finalised principles postdate what is in the NDIS update. I should indicate, again, that it was at Senator Madigan's request that this be put into the bill itself rather than be a part of the regulations.

Senator Moore also asked about the development of a new wage assessment tool. We are fundamentally in the hands of Fair Work Australia, who are auspicing, overseeing, the development of that process, and currently the parties are in conciliation—Fair Work is undertaking a conciliation process in relation to that.

Moving to other elements of the opposition's amendments, I recognise that the opposition are no longer pursuing what was in their amendment the last time these matters were before the chamber, which was that an individual could take part in both the payment scheme and the representative action and that, if the representative action subsequently was successful and
someone had taken part in the payment scheme and were receiving both amounts, there would be a mechanism for the government to seek to recoup the difference between the two. At that time, I indicated that I did not think any government would ultimately seek to pursue individuals with intellectual impairment, maybe many years down the track. Putting aside the practical difficulties, I did not think any government would seek to do that.

So I recognise that the opposition is no longer pursuing that, but the opposition amendment still fundamentally lands in the same place as its earlier amendments, which is that it would allow people to take part in both actions and is, I assume, relying on the fact that a court making a determination about any moneys related to the representative action might, if someone had received payment in the BSWAT Payment Scheme, take account of that when determining what they may pay or what they may direct that someone is owing or is owed. The courts may; the courts may not. Ultimately, the courts decide what the courts decide. I note the opposition amendment is not seeking to bind the courts or ensure that the courts act in a particular way. If the opposition amendment were seeking to do that, it would be traversing some unusual ground, and I recognise the opposition is not seeking to do that. But what the opposition amendment is assuming is that courts might take into account, in determining payment under a representative action, what someone had already received through the payment scheme. Now, we do not know. It is something we do not know.

I am not comfortable, and the government is not comfortable, about bringing together, meshing together, two completely different mechanisms. One is a legislated mechanism, the legislated payment scheme which we have before us; and the other is the free operation of the courts, of our judicial system. I think it is appropriate that we seek to keep those two processes separate and, in so doing, provide a choice. It is untidy to seek to mesh in some way a legislative payment scheme and court action that is afoot.

What the legislation before us seeks to do, as I have said before, is give an option that does not exist at the moment. What I cannot conceive is how giving an additional option which does not currently exist in any way, shape or form can take something away from someone—because, in the absence of this legislation, there is only one option, the representative action. This legislation gives a choice. In the absence of this legislation, there is any one option; if this legislation passes, there are two options. There is a choice for an individual and their family to make, a choice which is informed by independent legal advice and independent financial advice paid for by the Commonwealth.

So I have great difficulty in accepting any contention that by legislating to establish another option we are in any way, shape or form denying people choice. In the absence of this legislation, there is only one option; if this legislation passes, there are two options. And I think it is a good thing that people have that choice: the choice between a payment scheme which is straightforward, with a guaranteed outcome, and, if they so elect, their rights at law. The choice is theirs, and this legislation establishes an option that will not be there in the absence of this legislation.

Senator SIEWERT (Western Australia—Australian Greens Whip) (12:20): I rise to contribute to the debate. The Greens have not changed our position on the government's bills, despite the amendments the government has here. The minister just used the words 'not comfortable'. Well, the Greens are not comfortable with this because, despite the minister's fine words, this does limit people's choice. People are being given the choice between either
taking this substandard replacement or recompense for wages that they lost, and a tool that has been in use for a number of years during which people knew it was wrong. People knew it was wrong; people knew it was discriminatory; and it took people with disability and also very hard work, a lot of it pro bono, by advocates and lawyers to address the situation. It is not as if governments—and I mean governments of both persuasions—did not know that this was a discriminatory tool.

Now the people who are affected by this discriminatory tool are faced with the fact that choice is actually being taken away from them. It is: 'Here's a bird in the hand now, and we'll give you part of what you are owed.' I will note here, as I noted last time, that we have to take into account not only that they were paid substandard discriminatory wages, but that the opportunities that full wages—proper wages—would have given them should also be included in that. That should be taken into consideration. It is not just the loss of the wages; it is the opportunities those wages would have given those people. Their choice is being taken away, because they are being told, 'Take this now. It's better than nothing and you may get nothing in a court case.'

We also need to look at the NDIS. Under the NDIS, if you acquire your injury and your disability in an accident, you are actually forced to take legal action. But you can go into the scheme in the meantime, while your process of legal action is taken. To my way of thinking, that is the same sort of concept as the ALP's amendments: you can take care of yourself now while you pursue those legal options. People have the right to take legal action. What the government is saying here is: 'We will give you a bit of money if you don't take that choice.' To my mind, and to the Green's mind, that is not choice. We are not comfortable with this approach that, to be frank, is more focused on the government trying to save some money in the long run, and also on protecting ADEs. I am not having a go at ADEs. I know that is what is being portrayed, but that has also been part of this mix and I am sorry but they do not come first. People with disabilities come first, and we are limiting their choice with this legislation. It is taking away people's choice. It is giving them substandard recompense for the years that they have been subject to the discriminatory tool. We know this tool is discriminatory, because the court has said so. They need to fix it.

We understand that is a process that is being undertaken and we have yet again consulted extensively. We did so for our first position, as I outlined in my contribution to the second reading debate on this bill in the first place. We consulted extensively then and we have consulted extensively again. The fact is, people with disabilities, their representatives and their advocates do not support this. They do not support this approach. They are the ones who took the action in the first place. It was their persistent work that got us to the point we are at. They do not support this bill. The Greens cannot support something that people with disabilities, their organisations and their advocates do not support. Even with the amendments we still cannot support it. I will make a further contribution when the ALP's amendments are being debated.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:25): I thank Senator Siewert for her contribution. I should say that I do not think any colleague in this place brings anything other than a genuine approach to their views in relation to the BSWAT payment scheme and disability enterprises. It is just that, from time to time, in this area we have reached different conclusions.
In response to Senator Siewert's contribution, the Federal Court determination was in relation to the specific circumstances of Mr Nojin and Mr Prior, and I think it is important to recognise that, while that case obviously has affected the confidence of a number of people in the BSWAT, the basis upon which we are looking at this matter is really to respond to the lack of confidence. There has not been a court determination in relation to the BSWAT as a whole. The court determination has only been in relation to the application of the BSWAT—how it was applied to the specific circumstances of Mr Nojin and Mr Prior. But, of course, we recognise that there has been an effect on the confidence in the BSWAT tool.

We have sought to address the present, the future and the past in this matter. In my opening contribution, I probably did not emphasise enough the importance of disability enterprises. Yes, I agree with Senator Siewert, but all of us here are remorselessly focused on the individual supported employee. That is the beginning and the end of our consideration. It is all about the supported employees. But it is also important, in ensuring the continued employment of supported employees in disability enterprises, that we seek to create, as far as possible, a more certain environment for disability enterprises. This is why I strongly supported seeking a temporary exemption from the DDA for the BSWAT, why we put in place the $173 million to develop a new tool and help with transitions costs for ADEs to a new wage assessment tool, and why we are seeing to legislate a BSWAT payment scheme. I think those three things together help to create an environment that is more certain for disability enterprises. That is my objective. The intention to provide a more certain environment for disability enterprises is solely focused on ensuring that they are in a good place to be able to continue to employ people with disability, which I think is what all of us are about.

**Senator LAMBIE** (Tasmania) (12:28): On Monday, 24 November, I rose to oppose the Business Services Wage Assessment Tool Payment Scheme Bill 2014 and the Business Services Wage Assessment Tool Payment Scheme (Consequential Amendments) Bill 2014. The Senate defeated the government's legislation by one vote. By one vote, more than 10,000 Australian workers with intellectual disabilities had their court-recognised entitlements for back pay protected. Seven months later, this government has now brought back to the Senate essentially the same bill with the same intent: namely, to steal about half of the 40 per cent of the back pay owed to 10,000 Australian workers with intellectual disabilities. Which prompts the question to Prime Minister Abbott and the Liberal and National Party members of this place: what have you got against 10,000 workers with intellectual disabilities?

Surely they and their families have suffered enough. Why won't you just accept the court rulings, accept that you have got it wrong, and accept that the Australian government got caught out stealing money from disabled people—and pay the full 100 per cent of that money that is owed to them. Stop wasting money on more legal fights, and stop wasting the time of the Australian people in the Senate: just let the 10,000 Australian workers with intellectual disabilities have all their money—not part of it; not about 63 per cent of it but 100 per cent of it. Surely that is not a lot to ask. Authorise the release of the full amount of money owed to them.

The re-presentation of this bill is a new low for this government and I am disgusted. However, I will work with the other senators on this legislation, and turn this lemon into lemonade. I will support amendments foreshadowed in this Senate which will allow the part
payment of moneys owed to the victims while still giving the 10,000 Australian workers with intellectual disabilities the right to pursue in court the remaining moneys owed by the Commonwealth. Should those fair amendments fail to pass the committee stage of this debate, I will vote to oppose this legislation at the third reading stage—because as it stands, this Liberal bill, the Business Services Wage Assessment Tool Payment Scheme Bill 2014, is still grossly unfair. This bill tries to take away the justice delivered by a court to Tyson Duval-Comrie, who is leading a federal court class action on behalf of all 10,000 workers with intellectual disabilities—and, my goodness me, he is certainly leading by example. I honour his strength. The draft legislation as it stands authorises this Liberal-National party government to steal money from disabled workers. On behalf of Tasmanians, I will not and cannot be a part of that sad, unjust state of affairs.

This is just another attack on vulnerable Australians by this government. I would have thought that after the budget last year they would have learnt their lesson—but obviously not. We have seen a total disregard for the lives of people who do not have much, who work hard, and who suffer against the odds because they are unemployed, they are carers, or they are sick or have a disability. This pattern of behaviour needs to stop. Today we have seen this Liberal government's attack on the vulnerable continue: the cleaners of Parliament House are on strike for 24 hours, because of a mean and tricky Liberal government deal which will see most of them lose up to $6,000 per year, or $100 per week. I met with these great Australians and I just cannot understand why the Liberal government wants to hurt them—let alone take more money from them—when they are some of the lowest paid workers in Australia. The same can be said of members of our defence forces—and by the way you still owe them one per cent—who, like the victims of the BSWAT rip-off, are victims of a dud deal. They are largely voiceless and vulnerable, and the Liberal government has taken advantage of that fact and denied them a fair pay rise and back pay.

This display of arrogance and just plain cruelty—to the BSWAT victims, to the cleaners and to the defence victims—comes at a time when we hear that this government has authorised massive cash payments to people smugglers. There is now no doubt that these smugglers are criminals responsible for murders, rapes and gross human rights abuses. But the Abbott government is happy to shower international criminals with cash, while denying our BSWAT workers, our cleaners and our diggers a fair deal.

In this case, it is very clear that we have a group of over 10,000 Australians who have worked hard in their jobs for many years—and we have not paid their fair wages because of discrimination. They work in factories, in offices, and in gardening businesses all over Australia. Some people earn as little as $1 to $2 an hour. These are the lowest wages in Australia. More than 10,000 workers with intellectual disabilities have been paid under a tool called the Business Services Wage Assessment Tool for more than 10 years. BSWAT is a tool that was created by and is still run by the Commonwealth government. Under BSWAT, workers with intellectual disabilities are paid a proportion of the minimum wage for their work, depending on how productive they are compared to a worker without a disability as well as on how they respond to a series of abstract questions. In 2012, the full Federal Court found that using BSWAT to calculate wages was unlawful because it required workers with intellectual disabilities to answer questions instead of looking at how productive they were in their jobs. The Commonwealth then appealed to the High Court and lost that case and—God
knows—I would love to know how much the Commonwealth has paid out so far and how much it is going to continue to pay out.

The result of this appeal made it clear what the court thinks: BSWAT discriminates against workers with intellectual disabilities—so you have been told by the courts, you have been told by the Senate, and yet you are still running off your same old ideas. This appeal also made it clear that the same ruling would apply to the other 10,000 workers in the same situation. However, instead of then stopping the use of BSWAT, the Commonwealth allowed workers to continue to suffer unlawful discrimination, and did not offer a cent until now. Because of that, a class action is currently before the Federal Court seeking to enforce the Federal Court and High Court decisions for these employees and to fairly compensate them for the work they have completed. This court case is seeking full back pay for all members, and is in line with the decisions the courts have already made on this matter.

In closing, I bring to the Senate some comments and feedback my office has received from Mr David Cunningham, who is a co-creator, producer and host of the Dangerous TV project. Mr Cunningham made these five powerful points: first, workers with intellectual disabilities are just as entitled to a decent wage and salary as any other similar worker doing the same job in Australia; second, workers with intellectual disabilities are amongst the most vulnerable workers in the nation's workforce as they have no recognised union to properly represent them; third, the government's actions on this issue did not match up with their actions in relation to the NDIS and other disability issues—we are going down a very dangerous path here; fourth, the government's apparent willingness to defy an order of the High Court demonstrates their contempt for the legal processes of this country, and further demonstrates their sinister attempts to pervert the course of justice; and five, the government's apparent use of dirty fear tactics to attempt to scare the parents and families of workers with intellectual disabilities from seeking and securing redress is totally and utterly abhorrent and should be rejected outright.

I oppose the legislation as it stands but, as I indicated, I will support foreshadowed amendments which guarantee a quick, part payment of approximately 60 per cent—because I can assure you people are doing it very tough out there, let alone these people here. If I can deliver that 60 per cent tomorrow, I will be very grateful to be able to do that—but they will get the choice to go after the rest of their money. That is the very least we can do. As a matter of fact we should not even be put in this position, because you owe them 100 per cent of that money. It is your own integrity that has sunk to the lowest today. I think that about says it all. Should those just and decent amendments fail, I will vote to oppose the bill, as I have said. That is common sense and that is a fair thing to do. That is giving a fair go. That is the Australian way. I urge fellow senators to vote in the same manner.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:37): I thank Senator Lambie for her contribution. I think it is important to recap a little on the history and the creation of the BSWAT tool. The BSWAT tool was developed by a range of parties in good faith. It was developed through consultation with advocates, with unions, with a range of stakeholders. At the time the BSWAT tool was developed, it had broad support and broad confidence. This was not something that the Commonwealth created in isolation. There was strong involvement of unions, advocates and others. I think it is also important to recognise that almost no-one is
suggesting that there is not a role for pro rata wage tools. The matter which is before Fair Work Australia at the moment in the development of a new wage assessment tool is what is a more appropriate pro rata wage assessment tool that enjoys broader confidence. The BSWAT is not the only wage assessment tool that has been used in disability enterprises. There will continue to be pro rata wage assessment tools in recognition of differing productivity of individuals.

I should also make clear, again, that there has been no court ruling on the BSWAT as a whole. The court ruling specifically related to the application of the BSWAT tool to two individuals—Mr Nojin and Mr Prior. Also, the High Court has made no determination in relation to these matters. The High Court did not grant leave for an appeal, so the High Court has not considered these matters. No court has made any determination, ruling or finding in relation to payment.

In relation to our payment scheme, no-one knows what wage assessment tool would have been used in the absence of the BSWAT tool. No-one knows what the counterfactual is. If the BSWAT tool had not been used for 10 years, no-one knows and no-one can say what wage assessment tool would have been used. This is why the Commonwealth has come up with a formula that will guarantee that people are paid more than they were paid—because we do not know what wage assessment tool might have been used if the BSWAT did not exist. That is why the Commonwealth has had to come up with a formula that will ensure that people get paid more than they were paid. That is what this bill is all about—giving people more money than they have received in the past.

A number of colleagues have raised their conversations with families and advocates. It would be fair to say that through my role as the minister for disabilities I would have as many conversations with families and advocates as anyone in this place. I have spoken to plenty of families and individuals who think that the payments scheme is a good idea. I take on board what they have said to me.

In relation to the representative action, I do not know if the representative action will be successful or not. If the representative action were successful, I do not know if the court would determine that people should be paid more, less or the same as the payment scheme. No-one knows that. What we have sought to do in this environment is to come up with a formula that will pay supported employees who have previously been assessed under the BSWAT more than they were paid before. That is what this bill is all about: it is about giving more money to supported employees who were previously assessed under the BSWAT.

I also think it is important, when looking at supported employees in disability enterprises, that we do not just look at the pro rata hourly rate that the individual is paid for their work in isolation. People in disability enterprises in effect receive a package of supports. They receive the hourly rate. They receive the disability support pension. They likely receive a Commonwealth health benefits card. They also have the support of the staff in the disability enterprise. The Commonwealth, on behalf of the community, puts about $200 million into disability enterprises, essentially to help with the costs of the staff who support those supported employees. So you really have to look at the package of supports that an individual receives in the disability enterprise. What we are seeking to do is to enhance the package of supports. We are seeking to enhance the package of supports through this payment scheme, which will see individuals receive more money for their past work. We are also seeking to
enhance the package of supports for individuals by creating, under the auspices of and with interested stakeholders, a new wage assessment tool. As I have indicated, it is highly likely that that will lead to higher pay, which is why we have the $173 million fund to help in the development of that wage assessment tool and also to help with the transition costs for disability enterprises.

So everything we are seeking to do as a government here is about enhancing that package of supports. We are not seeking to take anything away from supported employees. To the contrary: we are seeking to enhance their previous situation and we are seeking to enhance arrangements for them into the future. This legislation only seeks to provide more for people who have been assessed previously under the BSWAT. It does not take anything away. This seeks to provide more. We do not know what the outcome of representative action will be. But obviously people are perfectly entitled, as they should be, to pursue that option if they want to. I thought it might be helpful for colleagues to respond to some of the points that Senator Lambie raised.

S
enator MOORE (Queensland) (12:45): Thank you, Minister. But, in terms of the process, you are taking away. You are taking away people's options to have legal scrutiny of their process—that is, you have been very voluble with all the things that will be enhanced in this process, and that is acknowledged. We had that process. We still do not know what the result of the new tool will be. You rightly said we do not know. Nothing about having a choice to take legal action stops having that option either. The actual closing down of choice, of options, is by this legislation. You said it was an untidy process and that it was uncomfortable. Well, at what cost and to whom? The amendments we are putting forward can work. There is nothing illegal about them.

I have two questions before we go to the process of the vote. Critical to informed choice was the provision by the government of enhanced packages around legal advice and financial counselling advice. At the time that we looked at this discussion earlier, there were no details around that. We raised concerns at our inquiry about what the options would be across the country for having firms and support that would be able to effectively deal with the sensitivities of people who have intellectual disability and their families, who are fearful for that. Can we have any information about what progress the department has made in making sure that those options will be there in the process of making a decision?

S
enator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:47): The choice as to which firms an individual goes to in relation to legal and financial advice will be one for the individual and their family. The government will require the furnishing of a certificate that demonstrates that the individual has sought independent legal advice and also that they have sought and obtained independent financial advice. The choice as to the entity from which they seek that advice will be a matter for individuals.

S
enator MOORE (Queensland) (12:48): Minister, we asked questions directly at the inquiry about the scrutiny of the quality and the competence of the financial advice and the legal advice, and we could not get an answer. The range across the country is so varied. Will this advice be available locally for workers and will there be any monitoring or accounting of the experience of the providers and whether they have any background in dealing with people with intellectual disability?
Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:48): In the case of legal advice, they will have to be registered legal practitioners. In the case of financial advice, they will have to be registered financial counsellors.

The CHAIRMAN: The question before the chair is that government amendments (1) to (6) on sheet EH170 be agreed to.

Question agreed to.

The CHAIRMAN: Senator Fifield has also moved government amendments (1) to (22) by leave together on sheet HK115. We have traversed all those amendments in the discussion as well, so I now put the question that those amendments be agreed to.

Question agreed to.

The CHAIRMAN: Senator Moore, we will now proceed to your circulated amendments.

Senator MOORE (Queensland) (12:50): Our amendment (9) is no longer required, because the government's amendment has overtaken it. It is the amendment about supported decision making. I table a statement of reasons.

The CHAIRMAN: Is leave granted for Senator Moore to move amendments (1) and (22) and (23) together?

Leave granted.

Senator MOORE: by leave—I move:

(1) Clause 3, page 2 (lines 21 to 27), omit all the words from and including "accepts the offer" to and including "continue unchanged", substitute "accepts the offer, the Secretary will make the payment to the person".

(22) Clause 67, page 47 (line 12), omit "where an amount is wrongly paid to a person, the amount", substitute "an amount".

(23) Clause 67, page 47 (line 15), omit "the person", substitute "a person".

Senator MOORE: by leave—I move:

That the House of Representatives be requested to make the following amendments:

(2) Clause 4, page 3 (line 14), omit "matter referred to in subsection 10(2)", substitute "possible ground for compensation".

(3) Clause 4, page 3 (line 17), omit "matter referred to in subsection 10(2)", substitute "possible ground for compensation".

(4) Clause 4, page 4 (lines 14 and 15), omit the definition of group member.

(5) Clause 4, page 5 (after line 1), after the definition of payment amount, insert:

possible ground for compensation has the meaning given by section 10.

(6) Clause 4, page 5 (lines 9 and 10), omit the definition of relevant representative proceeding.

(7) Clause 4, page 5 (lines 11 and 12), omit the definition of representative party.

(8) Clause 4, page 5 (lines 13 and 14), omit the definition of representative proceeding.

(10) Clause 5, page 6 (line 7), omit "person;", substitute "person.".

(11) Clause 5, page 6 (line 8), omit paragraph (c).

(12) Clause 9, page 8 (line 23) to page 9 (line 23), omit the clause.

(13) Heading to clause 10, page 9 (line 24), omit the heading, substitute:
10 Possible ground for compensation

(14) Clause 10, page 9 (lines 25 to 34), omit subclause (1).
(15) Clause 10, page 10 (lines 1 to 3), omit "(2) The matters are the following, to the extent to which they relate to the use of a BSWAT assessment to work out a minimum wage payable to a person”, substitute "Each of the following matters is a possible ground for compensation for a person, to the extent to which it relates to the use of a BSWAT assessment to work out a minimum wage payable to the person”.
(16) Clause 19, page 17 (line 8), omit "involve;", substitute "involve.".
(17) Clause 19, page 17 (line 9), omit paragraph (2)(j).
(18) Clause 38, page 30 (line 16), omit "person; and", substitute "person.".
(19) Clause 38, page 30 (lines 17 and 18), omit subparagraph (c)(iii).
(20) Clause 38, page 30 (lines 19 to 21), omit the note.
(24) Clause 98, page 64 (lines 19 and 20), omit "matter referred to in subsection 10(2)", substitute "possible ground for compensation".

Senator MOORE: The opposition opposes clause 39 in the following terms:

(21) Clause 39, page 30 (line 22) to page 31 (line 3), to be opposed.

I think we have traversed a lot of the arguments in the previous discussion. We stand by the principle that we believe that people should have the option to seek redress. In this case, we note that this bill takes away that option for workers who take the decision—we believe the informed decision; we are not quite sure how that informed decision will be made—that they will exclude themselves from taking the option of a legal process. We do not believe that is an appropriate option for the people who have put their faith in their employers and in the government. There has been great interest in this, and I take the point that there has been discussion around these issues for several months, and people have been having meetings and talking about it. Nonetheless, for this particular group of workers, whilst this bill gives them security in some way, with some enhanced money—and no one doubts that, and that is something the government has decided to do—it in effect says, 'If you take this, you cannot be involved in the legal process,' which is looking at putting a test on their conditions and on the way they are employed by the independent court process.

We heard from minister earlier that there are a great many unknowns in this process. We do not know how the new model will operate. We have not seen it. We do not know exactly how the different employers will implement the model. We do not know whether taking up legal action will bring a better result in terms of employment, wages and conditions than not taking it up. What we do know is that this bill does say, 'Take this and that will be all you get. Take this; it's the only option you have.' It closes down the clearly discussed option that is out there in the community at the moment through the legal case which argues that there is an opportunity to have this tested. In some ways it actually weakens the legal case. We have discussed this at length in our committee: if people are pulled away by accepting the money in hand because it is an attractive way to have their wage increased. As Senator Lambie said, for people who are getting less than $2 an hour, any increase is attractive—any increase at all. If you pull people away from being part of the legal case, you are detracting from the strength of the legal claim. The important thing is to see how this particular form of wage operates effectively for individuals in the workplace. It is also important to see whether it is a fair response to the work they do and whether it is a fair response to the relationship they have
with their employer—something that most people should be able to do without any question. However, if you are among this group of employees, employed in this way, this particular bill says: 'No, you can't do it, no matter the outcome received by other people.'

At the moment there are only the two individuals who are brave enough to work with their legal representatives to test their own working conditions. We only have the results of those two upon which we can base any future discussion. We know that every individual is going to be different. By passing the bill without the amendments that we have put forward, you close down that option for so many workers. We do not believe that is an effective way to work with this group of employees. We believe that the good work that is being proposed by the government by providing support around financial advice and legal advice would only be enhanced if that same advice could be taken for future legal action. In fact, we would be helping those workers to see what would be best for them. We have a range of amendments, though one of those amendments is no longer required—the one about supported decision making. As we have already passed the government's amendment, we will not be pursuing that amendment. I am just checking which particular amendment it is, but all the rest—which are effectively about giving people an option they deserve to ensure that they will get the best possible wage for the work that they do—stand.

We stand by the position that we brought to this place last year: that there should be a way for people not to have that opportunity closed but they should receive the benefit of the government payment, which acknowledges that they could well have been paid incorrectly as a result of the tool. That should be their right, because they are employees in this industry. By bringing forward this legislation, the government feels it is a fair thing to say to the workers who are employed in this industry, 'We think you should have a re-assessment of your particular wage situation and be paid accordingly.' To get a payment through the process is fair, but it is not fair to link that to closing their options to be party to a legal process. Our amendments make sure that that option is returned to the workers, that they are not closed out of that process and that they are supported to have a free choice in ensuring they have the best possible employment conditions and they are part of the decision making so that it is not imposed upon them.

Senator SIEWERT (Western Australia—Australian Greens Whip) (12:56): The Greens still oppose this bill. We do not believe it is fair; we believe that it in effect continues the discrimination that has occurred through this particular tool. One of our concerns with the bill is the fact that people are forced to take one option or the other. We do believe that this amendment addresses some of our concerns with this process, and so I indicate that the Greens will support this amendment, given that it does enable people to have what the minister says they already have, but they do not have with this bill, and that is choice. I remind people of the comments I made earlier on the NDIS: in that process people can access both schemes—and I know it is quite a different process—but they can and in fact are required to. In this case, people should not be forced to accept poor compensation for the loss, or underpayment, of wages or the loss of opportunity those wages would have afforded them. This does allow them to take action through the courts, and so we will be supporting it.

Senator MOORE (Queensland) (12:57): I should add that our advice is that, when a court determination is made, the court will take into account prior payment. I know the minister said earlier that that is unknown and it might happen. It is our understanding that, in a case
looking at wages of this kind, the court will take into account the previous wage situation—it will be a natural process of the court—and so it will not be left to this great unknown. It is natural court practice.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (13:00): I will just respond to some of the points Senator Moore raised. I never doubt that Senator Moore has full confidence in every statement she makes to this chamber, but I am not sure that the opposition is in a position to speak on behalf of the courts in relation to what they may or may not take into account. Tempting as it may be to rely on senators to speak on behalf of courts, it is probably something that would not broadly sit well with the chamber. I will just make that point.

In relation to a payment scheme versus representative action, I also think it is important for colleagues to know that the BSWAT payment scheme is based on the circumstances of an individual. How many years they were employed and what they were paid is taken into account. In the Maurice Blackburn litigation, the choices that are taken along the path of the litigation are made by the lead applicant. Let me repeat that: the choices that are made along the path of the Maurice Blackburn litigation are made by the lead applicant.

Also, we do not know what form the model of any payment arrangements that may ensue from court decisions may take. We do not know if the decision may be to pay the same amount for every employee regardless of circumstances or whether in some way the payment will be tailored for the circumstances of the individual. That is something we do not know. But what we do know is that the BSWAT payment scheme will be tailored to the individual circumstances of each supported employee. The lead applicant in the Maurice Blackburn representative action makes the calls on the key decisions along the way. We do not know what the model will be if the representative action is successful. We do not know whether it will be the same amount for everyone regardless of their circumstances or if it will be tailored.

That is why I keep emphasising that the BSWAT payment scheme provides certainty for individuals. They know that their particular circumstances will be taken into account. They know that they will get a definite amount of money. They know that their legal advice and financial advice will be paid for by the Commonwealth. I know for absolute certain that if this legislation does not pass then there will be an option that is denied. Again, I struggle with the contention that presenting an option which does not presently exist is in some way denying choice. No, it is giving an option that does not exist currently.

The CHAIRMAN (13:03): I advise the chamber that this batch of opposition amendments needs to be put as two separate questions. The first question to be put is that opposition amendments and requests (1) to (8), (10) to (20) and (22) to (24) on sheet 7700 be agreed to.

The committee divided. [13:08]

(The Chairman—Senator Marshall)

Ayes ..................33
Noes ..................37
Majority ..............4

AYES

Bilyk, CL Brown, CL
**Monday, 15 June 2015**

**SENATE**

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**PAIRS**

| Peris, N                      | Brandis, GH                   |
| Wong, P                       | Abetz, E                      |

Question negatived.

**The CHAIRMAN (13:12):** The question now is that clause 39 stand as printed.

The committee divided. [13:13]

(The Chairman—Senator Marshall)

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Question agreed to.

Business Services Wage Assessment Tool Payment Scheme Bill 2014, as amended, agreed to, subject to requests; Business Services Wage Assessment Tool Payment Scheme (Consequential Amendments) Bill 2014 agreed to.

Business Services Wage Assessment Tool Payment Scheme Bill 2014 reported with amendments and requests for amendments; Business Services Wage Assessment Tool
Payment Scheme (Consequential Amendments) Bill 2014 reported without amendments; report adopted.

**Business Services Wage Assessment Tool Payment Scheme (Consequential Amendments) Bill 2014**

**Third Reading**

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (13:18): I move:

That this bill be now read a third time.

The PRESIDENT: Before putting the question, I will clarify what we are voting on. First, there was the Business Services Wage Assessment Tool Payment Scheme Bill 2014. That bill will go to the House of Representatives, with the requests of the Senate, for consideration by the House of Representatives. We are now voting on the third reading of the Business Services Wage Assessment Tool Payment Scheme (Consequential Amendments) Bill 2014 on its own.

The Senate divided [13:23]

Ayes ....................37
Noes ....................35
Majority ..............2

**AYES**

Back, CJ
Birmingham, SJ
Canavan, M.J.
Colbeck, R
Day, R.J.
Fawcett, DJ (teller)
Fifield, MP
Johnston, D
Lindgren, JM
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McKenzie, B
Nash, F
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O'Sullivan, B
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Ronaldson, M
Ryan, SM
Seselja, Z
Smith, D
Williams, JR

**NOES**

Bilyk, CL
Bullock, J.W.
Carr, KJ
Conroy, SM
Di Natale, R

Brown, CL
Cameron, DN
Collins, JMA
Dastyari, S
Gallacher, AM
NOES

Gallagher, KR
Ketter, CR
Lazarus, GP
Ludlam, S
Marshall, GM
McEwen, A
Milne, C
O'Neill, DM
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McAllister, J
McLucas, J
Moore, CM
Polley, H
Rice, J
Singh, LM
Urquhart, AE (teller)
Whish-Wilson, PS

PAIRS

Abetz, E
Brandis, GH

Wong, P
Peris, N

Question agreed to.
Bill read a third time.

Renewable Energy (Electricity) Amendment Bill 2015

First Reading

Bill received from the House of Representatives.

Senator FIERRAVANTI-WELLS (New South Wales—Parliamentary Secretary to the Minister for Social Services and Parliamentary Secretary to the Attorney-General) (13:26): 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 FIERRAVANTI-WELLS (New South Wales—Parliamentary Secretary to the Minister for Social Services and Parliamentary Secretary to the Attorney-General) (13:27): 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—

The Renewable Energy (Electricity) Amendment Bill 2015 will implement changes to the Renewable Energy Target to better reflect market conditions and allow sustainable growth in both small and large scale renewable energy.

The bill will lead to more than 23.5 per cent of Australia's electricity being sourced from renewable energy by 2020.
It also addresses problems which emerged more than three years ago with the Renewable Energy Target. Despite the presence of the 41,000 GWh target, it was unlikely that it would be met.

First, there was a significant drop in electricity demand which occurred following the Global Financial Crisis and coinciding with the closure of energy intensive manufacturing plants played havoc with wholesale electricity prices.

This was compounded by rising retail electricity costs associated with the carbon tax, network charges and feed-in tariffs resulting in households and industry changing their consumption patterns.

Second, the changes to the Renewable Energy Target introduced by the Rudd Government and the subsequent creation of the phantom credit bank of 23 million certificates is still being felt today. This overhang continues to suppress demand for Renewable Energy Certificates and stymie the signing of power purchase agreements.

These combined to make it increasingly difficult for renewable energy projects to attract finance.

Add to this, the increasing realisation that new subsidised capacity was being forced into an oversupplied electricity market made it likely that financial institution would be approaching the new investments in the renewable energy space with some caution.

It is in this context that we have sought to place the Renewable Energy Target on a sustainable footing.

The revised Renewable Energy Target scheme

The Renewable Energy (Electricity) Amendment Bill 2015 amends the Renewable Energy (Electricity) Act 2000 to:

- reduce the Large Scale Renewable Energy Target (LRET) to 33,000 GWh in 2020;
- increase the partial exemptions for all emissions-intensive trade-exposed activities to full exemptions;
- reinstate biomass from native forest wood waste as an eligible source of renewable energy; and
- remove the requirement for Labor's legislated biennial reviews of the RET.

These changes will ensure that there is continued support for sustainable growth in the large scale renewable sector. And, the 33,000 GWh target is higher than the originally conceived objective of 20 per cent.

There will be no changes to the Small Scale Renewable Energy Scheme. The scheme will continue in line with household and small business demand.

The removal of Labor’s phantom credit scheme federally and the rationalization of feed-in-tariffs at the state level have reduced many of the distortions outlined in this week’s Grattan Institute report.

Key features of the revised Renewable Energy Target

The Large Scale Renewable Energy Target

This bill will reduce the LRET from 41,000 GWh in 2020 to 33,000 GWh in 2020. It will adjust the profile of annual renewable generation targets from 2016 to 2030 so that the target reaches 33,000 GWh in 2020 and is maintained at 33,000 GWh from 2021 to 2030. This target is separate to the 850 GWh that is to come from waste coalmine gas generation each year until 2020 under pre-existing transitional arrangements.

As highlighted in our Energy White Paper, Australia has an over-supply of generation capacity and some of that is aged. From 2009-10 to 2013-14, electricity demand has fallen by about 1.7 per cent per year on average.
This is due to many factors: declining activity in the industrial sector, increasing energy efficiency, and strong growth in rooftop solar PV systems which reduce demand for electricity sourced from the grid.

While the Government welcomes a diverse energy mix in Australia, it also recognises that circumstances have changed since the 41,000 GWh target was set.

This new target of 33,000 GWh directly addresses these issues. It represents a sound balance between the need to continue to diversify Australia's portfolio of electricity generation assets, the need to encourage investment in renewables while also responding to market conditions, the need to reduce emissions in the electricity sector in a cost-effective way, and the need to keep electricity prices down for consumers.

Most importantly, this new target of 33,000 GWh by 2020 is achievable. It will require in the order of 6 GW of new renewable electricity generation capacity to be installed between now and 2020.

Even at the reduced level of 33,000 GWh, the renewable sector will have to build as much new capacity in the next five years as it has built in the previous fifteen. This will not be an easy task, but it is at least achievable.

This new target will be good for jobs in the renewable energy sector and lift the proportion of Australia's electricity generation to approximately 23.5 per cent by 2020.

**Assistance to emissions-intensive trade-exposed industries**

When the RET scheme was expanded in 2010, partial exemptions were introduced for electricity used in emissions-intensive trade-exposed activities. The exemptions only apply to the additional RET costs that were incurred as a result of the expansion of the scheme.

The RET scheme regulations currently prescribe that electricity used in activities defined as highly emissions-intensive and trade-exposed is exempted at a 90 per cent rate and electricity used in activities defined as moderately emissions-intensive and trade-exposed is exempted at a 60 per cent rate.

This bill will increase support for all emissions-intensive trade-exposed activities to full exemption from all RET costs, that is, from the costs of the original target as well as the costs of the expanded target. A full exemption will protect jobs in these industries and ensure they remain competitive.

The reduction in the direct costs of the RET, resulting from the lower Large Scale Renewable Energy Target, will more than offset the impact on other electricity users of the increase in assistance for emissions-intensive trade-exposed activities.

**Reinstating biomass from native forest wood wane as an eligible source of renewable energy**

Native forest wood waste was in place as an eligible source of renewable energy under Labor's own legislation until November 2011.

The use of native forest wood waste for the sole or primary purpose of generating renewable electricity has never been eligible to create certificates under the scheme. Eligibility was subject to several conditions including that it must be harvested primarily for a purpose other than energy production. This is about the use of wood waste—not about cutting down forests to burn.

Consistent with our election commitment, this bill reinstates native forest wood waste as an eligible source of renewable energy under the RET, basing eligibility on exactly the same conditions that were previously in place under the ALP.

One of the objectives of the RET is to support additional renewable generation that is ecologically sustainable. We are reinstating native forest wood waste as an eligible renewable energy source because there is no evidence that its eligibility leads to unsustainable logging or has a negative impact on Australia's biodiversity.

We believe that the safeguards that were in place previously were and still are sufficient assurance that native forest wood waste is harvested in a sustainable way. The regulations were underpinned by
ecologically sustainable forest management principles which provide a means for balancing the economic, social and environmental outcomes from publicly-owned forests.

In all cases, the supply of native forest wood waste is subject to Commonwealth, and state or territory planning and environmental approval processes, either within, or separate to, the Regional Forest Agreement frameworks.

Burning wood waste for electricity generation is more beneficial to the environment than burning the waste alone or simply allowing it to decompose. Its inclusion as an eligible energy source is another contribution to the target.

**Removing the requirement for biennial reviews of the RET**

We understand that regular reviews of policy settings create uncertainty for investors, business and consumers. That is why this bill removes the requirement for two-yearly reviews of the RET. Providing policy certainty is crucial to attracting investment, protecting jobs and encouraging economic growth.

Protecting electricity consumers, particularly households, from any extra costs related to the RET, has been a priority from the start and the Government understands that the 33,000 GWh target remains a challenging one for the industry.

For these reasons, instead of the reviews, the Clean Energy Regulator will prepare an annual statement on the progress of the RET scheme towards meeting the new targets and the impact it is having on household electricity bills.

Again, this bill is about appropriately balancing different priorities; replacing the biennial reviews with regular status updates better meets the needs of industry and the needs of consumers.

Importantly, both the Government and the Opposition have agreed to work cooperatively on a bipartisan basis to resolve any issues which may arise with the operation of the Renewable Energy Target through to 2020.

**Conclusion**

This bill is consistent with the Government's conviction that policy decisions must be based on sound economic principles. It also represents the Government's commitment to maintain stable and predictable policy settings that encourage growth, competitiveness and efficiency.

The RET had to be reformed in response to changing circumstances. This bill achieves balanced reform. It will provide certainty to industry, encourage further investment in renewable energy, and better reflect market conditions. It will also help Australia reach its emissions targets, and it will protect jobs and consumer interests.

As the Energy White Paper points out, Australia has world-class solar, wind and geothermal resources and good potential across a range of other renewable energy sources. In addition to the support for small and large scale renewables which this bill provides, the Government is providing over $1 billion towards the research, development and demonstration of renewable energy projects.

This bill recognises that renewable energy is an important part of Australia's future, while also recognising that its deployment must be supported in a responsible way with minimal disruption to our energy markets.

I commend the bill to the House.

**Senator SINGH** (Tasmania) (13:27): I rise on behalf of the opposition to express our broad support for the Renewable Energy (Electricity) Amendment Bill 2015, with one clear exception, relating to part 4 of the bill. I do so out of relief—as relief for the many thousands of Australians involved in our growing renewable energy industry, an industry that, thanks to Labor's strength, will continue to grow after the passage of this bill.
In doing so, I want to echo the shadow minister's rejection of the government's thin justification that this bill's changes to the renewable energy target will 'better reflect market conditions'. It does no such thing. The bill prevents the destruction of an innovative, growing 21st century industry. The bill gives the industry a measure of stability, and a platform upon which it can build and encourage investment. The bill saves the renewable energy industry from the Prime Minister's attempts to destroy it. It pulls it back from the brink, places it back on a stable footing, and allows further investment to take place in Australia.

Prior to the 2013 election, the renewable energy target was a bipartisan agreement. In fact, it had been a bipartisan agreement for many years prior—right back to the time of the Howard government. The coalition clearly expressed its support for the large-scale target of 41,000 gigawatt hours that existed in legislation before the 2013 election. That bipartisan support has been critical to the underpinning of the confidence of investors both here in Australia and, more recently, from overseas to come and put their money on the table for investments that run for, in some cases, up to 15 or 20 years. But, almost immediately after the 2013 election was won, the Abbott government binned that promise and began making statements clearly aimed at undermining and destabilising investment in the renewable energy industry in Australia—like blaming the renewable energy target for significant price pressure in the system, an opinion so inaccurate it must have been borrowed from Maurice Newman's book.

In fact, the government's own hand-picked Warburton review stunningly rejected the Prime Minister's thought bubble that the renewable energy target pushed electricity prices up and up. What the Warburton review in fact confirmed was that the expansion of renewable energy capacity in the system operated to put downward pressure on power prices, particularly wholesale power prices; no wonder the government has still not responded to its own review's findings.

The Abbott government has embarked over the last 20 months on a dishonest, manufactured crisis that damaged investments and spooked investors, with many of them losing confidence in Australia as a safe investment destination. It has been a reckless and damaging attack on the industry. It has been a broken promise that has set a bipartisan commitment back many years. The Clean Energy Council has said the crisis caused a cut in large-scale renewable energy investment in Australia by almost 90 per cent and forced many of the sector's 21,000 employees out of their jobs. This destructive and ideological policy shambles has not created jobs, it has not supported business and it has not protected the environment. Rather, it has risked and ruined thousands of existing jobs, destroyed thousands of prospective jobs, gutted businesses and places more pressure on our environment. It was as stupid a policy as it was unnecessary.

Remember during Labor's term in government between 2007 and 2013, Australia's wind power tripled in just six years. We were heralded as No. 4 in the world for investment when it came to renewable energy—clearly good for investment and good for jobs, as Ernst & Young's report showed. Perhaps that excellent statistic alone explains why the renewable energy target was attacked so maliciously by this government. We have seen, with the introduction of this bill, a Prime Minister utterly contradict the government's position that there was no predetermined plan or desire to cut the scheme, as well as the drivel that the government is a great supporter, apparently, of renewable energy. The Prime Minister's recent comments about the renewable energy target reveal clearly his ideological position against
renewable energy, and in particular wind energy. He said on Alan Jones's radio program last week:

I would frankly have liked to have reduced the number a lot more.

He said:

But we got the best deal with could out of the Senate and if we hadn't had a deal Alan, we would have been stuck with even more of these things.

In that comment, he makes it very clear that his personal dislike of wind turbines was a reason to kill them off despite the billions of dollars in investment and the thousands of jobs and clean energy created. That is clear from his comments.

By contrast, towards the end of Labor's term in government, there were a whole range of wind farm projects and clean energy projects established with the support of the Australian Renewable Energy Agency, ARENA, and the Clean Energy Finance Corporation. When Labor came into government there were 7,400 households in Australia that had rooftop solar panels. By the time we left, it was more than 1.2 million. In 2013 in the June quarter, before the change of government, Australia, as I said, was one of the four most attractive countries on the face of the earth in which to invest in renewable energy.

During our time in government—during the global financial crisis—the number of jobs in this renewable energy industry tripled. And they were not just the core jobs in renewable energy; there were spin-off jobs such as in manufacturing. In many cases, manufacturers had been operating for some time, in places like Portland and Tasmania, building components for wind towers. Clearly, for our Prime Minister to make those comments, as he did last week, to make it all about his own personal dislike for wind turbines, and to make it clear that he would have, as he said, reduced the number a lot more if he had the chance to do so, shows that he is quite happy to see billions of dollars in investment, and the jobs that would have been created, go into the rubbish.

The jobs and investment created by the renewable energy target are critical. They are critical right across the country but very much so in my home state of Tasmania—a hallmark of renewable energy. Tasmania currently supplies more than 40 per cent of the nation's renewable energy. With further development, it has the capacity to utilise its natural advantages in hydro and wind energy to grow even further.

The Australia Institute recently found that the current net benefit to Tasmania of the strong renewable energy target is more than $100 million a year. That benefit will reduce along with other benefits that the RET generates—such as employment, investment in the renewable energy industry and the decrease in the wholesale price of electricity. The renewable energy target and associated policies have also been a roaring success in starting to bring down carbon pollution levels in Australia's electricity sector. That is central to the challenge we have as a nation in response to climate change, because electricity generation is the largest source of carbon pollution in our economy.

Unsurprisingly, given the termination of strong climate change policies and the attack on renewable energy investor confidence, carbon pollution levels have started to rise over the past 10 to 12 months under the Abbott government's watch. At a time when renewable energy investment around the world soared by 16 per cent and, in China, by 32 per cent, investment in Australia collapsed by 88 per cent. The rest of the world is investing in renewable energy,
investing more and investing quicker. Costa Rica powered itself entirely with renewable energy for the first 75 days of this year and China's wind farms now produce more energy than America's nuclear power plants. Currently, China also has 33 gigawatts of solar power supplies and aims to add 17.8 gigawatts of solar power this year, more than double the capacity installed by the US in 2014.

Total dollars invested in 2014 saw Australia drop in aggregate terms, from 11th to 39th in the world, behind countries such as Myanmar, Honduras, Panama, which became bigger investors in renewable energy than Australia. That is absolutely shameful for a country such as ours.

In April, an HSBC analysis warned of the growing likelihood that fossil fuel companies may become 'economically non-viable' and essentially useless, as people move away from carbon energy and as fossil fuels are left in the ground. HSBC suggests divesting completely from fossil fuels and shedding the highest risk investments such as those in coal and oil.

So with all of that in mind, and like the overwhelming majority of Australians, Labor have great ambitions for the renewable energy industry in this country. From our point of view, the renewable energy target for 2020 and the associated policy frameworks, such as ARENA and the Clean Energy Finance Corporation, are just the beginning for further investment and further expansion in renewable energy. Our very serious concern about the long-term damage that would be done to Australia's reputation as a safe investment destination, particularly in energy and renewable energy, required us to go to the table and do all that we reasonably could to restore investor confidence, which, after all, has been our overarching objective through this whole process.

This deal does that. This bill before us restores investor confidence in the rooftop solar sector. This legislation restores confidence in the large-scale renewable energy target and also provides full exemptions for emissions-intensive trade-exposed sectors. Furthermore, this bill removes the two yearly reviews, which I think we all now agree will provide much more certainty for investors. Having said that, though, it did not stop the government from trying it on, by trying to include those reviews to just create that little bit of uncertainty again in the industry.

The Clean Energy Council has indicated that the 33,000-gigawatt-hour large-scale target will mean that about 30 to 50 large-scale projects will be built over the next few years—and I really do hope to see those projects go forward—because it will involve about $10 billion in investment and about 6½ thousand jobs, no doubt to the Prime Minister's bitter disappointment, if his comments last week are anything to go by.

The Leader of the Opposition has indicated that, if we are elected at the next election, be that this year or next—whenever the election is—it would be our proposal to lift the large-scale target for 2020. The Leader of the Opposition has also indicated that we are already talking with industry stakeholders about post-2020 arrangements, which is the only sensible thing to do as an alternative government because, let us face it, 2020 is only five years away and if we are talking about ongoing investor confidence and certainty in this industry and are looking at the scale and the time frame of some of these projects going out 10 or 15 or 20 years, we certainly need to be looking at post-2020 arrangements.
The Minister for the Environment said in his second reading speech, 'The major parties have agreed to work cooperatively to resolve any issues that may arise with the operation of the renewable energy target to 2020.' Therefore, the opposition indicates its support for all those elements of the bill.

Now I would like to discuss the elements of the bill that Labor will not support. That is, the reinsertion of native wood waste into the scheme. Labor believes that this attempt to reinsert native wood waste into the renewable energy scheme is just a cynical, sad herring that was foisted on government negotiators at the last minute and which they themselves put on the table, again, at the last minute.

We take the view that, in the modern sense of this scheme, native wood waste is neither clean nor renewable. The logging industry definition of 'waste' is not 'waste' in the sense of the residue—the leaves, branches, stumps—left, after logging on the forest floor. The definition of 'waste' or 'residue' that is built into the regulation allows for whole logs to be burnt for power production.

We are not willing to see native wood waste added into this bill. We know that the definition of 'native wood waste' would involve the whole of any tree that is harvested but not ultimately saw lopped. I note that 'waste' can be defined as any log that does not have a higher commercial purpose. In this way a pulp log, say, for paper production, is of lower value than a sawlog for sawn timber, so the pulp log is considered as waste, even when pulp logs comprise 90 per cent of the timber extracted from a forest. So like many of my fellow Tasmanians and indeed Australians I do not believe burning of trees can be the saviour of Tasmania's forest industry.

The cynicism of those who are now seeking to insert native wood waste back into the Renewable Energy Target scheme, particularly Tasmanian Liberals—given the damage they did to the Tasmanian forestry agreement and their efforts to enable logging and mining within the Tasmanian wilderness World Heritage area—quite frankly embarrasses me as a Tasmanian. As a state we should be focusing on a comprehensive, inclusive and long-term vision for the way we manage our forests, not this sort of last-minute, stopgap policy. To that end, how is burning carbon that adds to emissions the point of a renewable energy target? Tasmania has so much more to gain from the creation of more wind energy than it does from the burning of trees.

I therefore notify the Senate that, in committee of the whole, I will be moving the amendments that have already been circulated by the opposition—firstly, to remove the provisions in this bill that seek to reinsert native wood waste into the scheme; and, secondly, to amend the act to prevent any future regulation being made by the government to reinsert native wood waste into the scheme.

I support this bill in its broadest context but not the provisions in part 4 of the bill, as I said in my opening remarks, because of what I have just outlined. Certainly, we are not willing to see the renewable energy scheme used to provide an alternative to the hard work that was undertaken on the Tasmanian forest agreement by industry, union representatives, workers in the industry, environmental organisations and the Tasmanian and Commonwealth governments. Indeed, I think it is very cynical of the Liberals to try, at the eleventh hour, to use this red herring to insert native wood waste back into the renewable energy scheme, given
the terrible damage they have done to the Tasmanian forest agreement during their short time in office.

I close my remarks by highlighting that not only is this situation that we find ourselves in one that could have been avoided; it is also a broken promise by a government that has form in breaking promises. That is why I commend the amendments that are to come before the Senate in the committee stage of this bill. I highlight the need for bipartisanship, going forward, on our renewable energy sector in this country so it has a bright future, so we can have investment, so we can have job creation and so we can continue to reduce our emissions.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (13:47): I rise to oppose in the strongest terms the slashing of the renewable energy target through the Renewable Energy (Electricity) Amendment Bill that is before the Senate and that has, sadly, already passed the House of Representatives. Let us be in no doubt: today we have before us a bill to cut our renewable energy target from 41,000 gigawatt hours down to 33,000 gigawatt hours.

At this very point in history—right when the clean energy sector is absolutely booming in this nation and booming globally, when it is clearly part of the solution to the climate challenge that we all face as global citizens—right at this minute, this government and, sadly, the opposition have decided to cut that target by reducing clean energy production in this country. They are cutting it even though we were on track to overshoot that target and on track to create a burgeoning industry of the future that we know is more job intensive than fossil fuel energy production and that we know will safeguard our existing industries that need the climate to stay healthy, like agriculture and tourism on the Great Barrier Reef. The Reef is already being slammed by climate change and stands to be gone, sadly, by the end of the century if we continue on the emissions trajectory that we are on. So it is an incredibly sad day for this parliament that we are standing here debating the slashing of the clean energy target.

We have already, unfortunately, seen the carbon price cut during this parliament; we have lost the mining tax in this term of government; and we are now seeing the renewable energy target slashed. This absolute lack of foresight and the denial of the science boggles the mind.

Perhaps we should expect no less from a Prime Minister who has as his chief business adviser somebody who thinks that climate change is a UN hoax, that coal is good for humanity and that wind farms are ugly, noisy and, 'Gee, the health impacts should be investigated.' No, no, no—or, as the Prime Minister says, 'Nope, nope, nope.' Wind energy is perfectly fine for people's health. The NHMRC has found that time and time again. Coal is not good for humanity, for goodness sake. If you stopped sacking scientists and started listening to them, you would know that it is damaging the global climate and jeopardising our economy, which you profess to care about. Of course, the fossil fuel sector, which bankrolls, sadly, both the major parties in this place but particularly the government, keep kicking in with the dollars for their back pockets to help them get re-elected: 'You scratch my back, I'll scratch yours.' Money talks in this place, and the climate continues to cook. Our Reef will continue to be trashed.

It is the future of the generations to come, like the kids up in the galleries today from some of our schools, that we are affecting with these sorts of decisions today. It is they who are going to have to clean up the mess and bring the country back to a low-carbon economy, in
track with the rest of the world. It is not like Australia is going it alone here, folks. We are in fact the only country in the world that is now heading backwards in climate change action. Everybody else has realised that we need to take strong action on climate change and introduce policies and market mechanisms to reduce carbon pollution and set ourselves up for the future.

Australia has the most to gain. We have wonderful renewable energy resources. We have some of the best sunshine in the world, we have some pretty good wind deposits, we have some fairly solid geothermal deposits and, of course, we have marvellous wave and tidal options. We have a plethora of renewable energy options that can power our cities and homes, and we can export that technology and energy. This is the way of the future, and the rest of the world knows that. Why is it that, right when we most need to be slashing emissions and tackling climate change, we are going backwards and reducing our ambitions for clean energy, and stymieing the job creation and the transition that our economy so desperately needs—otherwise, we will be left behind by the rest of the world? We stand to sacrifice our agricultural sector, our biodiversity, our Reef, our very way of life.

The government would have us believe that the reason they want to cut the renewable energy target is to give certainty to the industry. I cannot believe that anyone has actually swallowed these argument: we are going to give you certainty by cutting the obligation of industries to create renewable energy; and we are going to give you certainty by not just cutting that obligation, but by then saying, 'Gee, we actually wanted to go further. We don't like wind. It is ugly. We wish we had never introduced a renewable energy target under Prime Minister John Howard back then.' So much for certainty. What is being delivered is a massive axe to renewable energy, and now we hear the government has belled the cat and revealed that they actually want to go even further. This is a real travesty for an industry that has suffered under 18 months of this government's attack, with review after review looking for any premise to cut the renewable energy target. Now they have unfortunately found some support amongst the opposition ranks to do so. It is an incredibly sad day for the climate.

Not content with just cutting the clean energy target, this government now wants to see native forests burnt—and to call the clean energy—in a way that will squeeze out the production of genuine clean renewable energy like solar, wind, geothermal and wave power. They want to see native forest habitat burnt and want to void genuine renewable energy creation. I welcome the fact that the opposition will move amendments to stop that. The Greens will do that as well. The difference is that we will not vote for the bill when those amendments fail. Let us hope they do not fail, but unfortunately it seems like the government has stitched up the numbers, God knows what deals they have proposed. But it seems like we will not be able to stop native forests being burnt in a way that will throw a lifeline to the native forest logging industry, which has been in decline, given that the rest of the world has said, 'We don't want your woodchips, because you are woodchipping habitat for precious iconic species.' Not content with that, this government needs to find a way to breathe life back into that industry, and they have found it with native forest burning. What an absolute travesty that we have an opportunity to stop that, but it seems that the votes will be there for it to sail through. For us to be burning native forest habitat in this day and age, I think Australians are going to be absolutely horrified when they realise that that is what the parliament has done today.
One wonders whether this government is perhaps so set against the renewable energy target because it has said it does not like subsidies. What an absolute joke. We know that the fossil fuel sector gets billions and billions of dollars of subsidies from this government with taxpayers' money. If you really want to look at subsidies, let us look at that litany of billions of dollars that you give to the coal industry because you scratch their back and they will scratch yours.

We have seen some movement from some of the state governments who want to do better with renewable energy and who would like to have strong, state-based renewable energy targets. We welcome that, particularly since it looks like this parliament is going to fail Australians and allow our national renewable energy target to be slashed. We would welcome the states being allowed to still have higher clean energy ambitions, so I am flagging that we will be moving an amendment to remove a particular provision of the act that stops states having a stronger renewable energy target. I am seeking support from all parties for that amendment, because just because this particular government does not understand climate science and hates clean energy does not mean that it should be able to stop the states from listening to the science and doing what is necessary to foster new industries that can actually help to protect the climate. Let us hope that we will see some good sense prevail and that the states will still be allowed to have their own strong renewable energy targets.

Instead, we see from this government an absolute obsession with fossil fuels. We know that they are in bed with the coal sector. We know that they would love to see coal-seam gas wells rolled out across the landscape. Even some of their own, in other states, are realising how damaging coal seam gas is. In northern NSW we finally see some recognition from one of the big parties that, actually, coal seam gas really is damaging to land and water and the climate and we know, in Queensland, to the reef as well, because of all of the coal and gas ports that are being deepened and expanded for its export. So even amongst your own ranks, finally, there are people realising how damaging coal seam gas is. Yet this government is steamrolling ahead—rolling out the red carpet for the fossil fuel industry.

Not content with just those two provisions, this bill also gives even more exemptions to emissions-intensive, trade-exposed industries. It says it is not enough that you have a 50 to 75 per cent exemption; we want to give you a complete exemption because here in the Abbott government we love big business. We love the big end of town. We love propping up the fossil fuel sector, and we do not like these new clean energy guys. We want to make sure that these emissions-intensive trade-exposed industries can just keep on polluting for free and do not need to lift a finger in the transition to clean energy, and we want to leave Australia as the rust bucket of the world when it comes to clean energy ambition.

Given the time, I will conclude by saying this is a revolting bill that slashes clean energy generation. It is the worst possible time in history to be taking a backward step. We know what fantastic opportunities there are economically, employment-wise and environmentally from actually having strong clean energy production targets, and from making that transition along with the rest of the world, who are already, sadly, much more advanced than we are in this nation.

Today the parliament has that tough decision to make. Does it slash the renewable energy target and throw its lot in with old coal—the coal that we are told is good for humanity, like we are told that global warming is just a UN hoax and wind farms are ugly. Is that really what
this government and this parliament is going to choose? We will find out later in the day, but, from the smirks that I can already see from the government side of the chamber, they are laughing all the way to the bank with their coalmining mates and the rest of the community is left to suffer.

MINISTERIAL ARRANGEMENTS

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (13:59): by leave—On May 28, on the advice of the Prime Minister, His Excellency the Governor-General made certain changes to the ministry. For the information of honourable senators I table a list of the revised ministry, including changed arrangements for representation in each chamber.

I might take the opportunity to congratulate, in particular, one of the beneficiaries of those changes, Senator Concetta Fierravanti-Wells, who becomes the Parliamentary Secretary to the Attorney-General, as well as her other responsibilities.

I also advise the Senate that the Leader of the Government, Senator Abetz, will be absent from the Senate this week. During his absence, I will take questions in the Prime Minister's portfolio, Senator Payne will take questions in the employment portfolio and in relation to public service matters, and Senator Scullion will represent the agriculture portfolio. The Prime Minister has appointed me as Acting Leader of the Government in the Senate and Senator Cormann as Acting Deputy Leader until Senator Abetz returns.

QUESTIONS WITHOUT NOTICE

Sydney: Martin Place Siege

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:00): My question is to the Attorney-General, Senator Brandis. When and how did the Attorney-General first become aware his department provided inaccurate evidence to the parliament regarding the provision of the Monis letter to the Martin Place siege inquiry? When did he first inform the Minister for Foreign Affairs, the Prime Minister, and the Prime Minister's office of this fact?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:00): On 27 May—the Thursday of the first estimates week—the deputy secretary of the Attorney-General's Department, Ms Katherine Jones, gave evidence to Senate estimates that a letter from Monis to me, and the response of the Attorney-General's Department, was provided to and considered by the Sydney siege review. That evidence was incorrect, and Ms Jones wrote to the legal and constitutional affairs committee to correct the record on the afternoon of 4 June, that is, the following Thursday afternoon. I was first advised that the evidence given by Ms Jones on 27 May was wrong on the afternoon of Monday 1 June. I immediately asked the secretary of my department, Mr Moraitis, to conduct an urgent review to establish the facts. Mr Moraitis reported to me early in the afternoon of Thursday 4 June, and confirmed that it was indeed the case that Ms Jones's evidence was wrong. I immediately advised the foreign minister of that, and she and I immediately corrected the record.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:02): Mr President, I ask a supplementary question. Given that the Attorney-General first learned of the
error on Monday 1 June, why did it take the Attorney-General's Department and the foreign minister representing the Attorney-General three full days—three full days—to correct misleading evidence to both chambers of the parliament?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:02): It was three days, Senator Wong, and there is reason for that which I am sure you will understand. On the previous Thursday I was told one thing. On the following Monday, I was told something diametrically opposite. So I wanted to establish the facts—having been told two things that were entirely at variance from one another in the space of three business days. That is why, before going into the public arena, I wanted to satisfy myself that the second advice was correct and the first advice was wrong, rather than the first advice correct and the second advice wrong. For that reason, I instructed that an urgent review be undertaken to establish the facts. That occurred. And might I remind you, Senator Wong, that once it was confirmed to me that the evidence provided on 27 May was erroneous, I corrected the record in sufficient time for you to ask me questions about it that afternoon. (Time expired)

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:03): Mr President, I ask a further supplementary question. Did the Attorney-General or his department consult the Department of the Prime Minister and Cabinet prior to making the claim on 28 May that: 'the letter and my department's reply were both placed before the inquiry into the Martin Place siege'?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:04): Well, I certainly didn't, Senator; no. Nor would I as a matter of routine. And, if I can seek your indulgence to complete my answer to your first supplementary question in relation to the foreign minister: of course, the foreign minister would not have been in a position in any event, to correct the record because she was overseas until that Thursday morning. She corrected the record immediately she was told that an error had been established, as did I.

National Security

Senator LINDGREN (Queensland) (14:04): My question is to the Acting Leader of the Government in the Senate and the Attorney-General, Senator Brandis. Would the Attorney-General advise the Senate how the government is working to keep Australians safe and secure?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:04): Thank you very much indeed for your first question, Senator Lindgren. I wonder if I could crave the indulgence of the Senate just for a few moments to welcome Senator Jo Lindgren to the Senate. Senator Jo Lindgren is of course the great-niece of the great Neville Bonner, who joined this chamber as a Liberal senator from Queensland some 45 years ago. Senator Lindgren, both Senator Ian Macdonald and I knew your great-uncle. I cannot tell you how delighted he would be to see a member of his family take a seat in this chamber.

Honourable senators: Hear, hear!

Senator BRANDIS: Senator Lindgren, you enter the Senate at a time when the terrorist threat to Australia has never been higher. The government is already taking strong action to
keep Australians safe. We have reformed and will continue to reform our national security legislation. We have provided $1.33 billion in additional funding for security and law enforcement agencies. We will continue to do everything we can to ensure that those agencies have all the powers and the tools that they need to combat the growing terrorist threat to this country.

To that end, the government will shortly introduce legislation to amend the Citizenship Act to ensure that dual nationals who engage in terrorism will lose their Australian citizenship. Those new powers will give us a vital additional tool to combat the growing terrorist threat to this country. Our overriding objective, Senator Lindgren—and it is an objective shared by all senators on the side of the chamber, and I know by all senators on the opposition benches as well—is to keep our country safe. I welcome the fact that the Australian Labor Party has indicated that it intends to support our measures to strip terrorists who hold dual citizenship of their Australian citizenship so long as the Convention on the Reduction of Statelessness is observed.

**Senator LINDGREN** (Queensland) (14:07): Mr President, I ask a supplementary question: can the Attorney-General tell the Senate about the success of Australia's Regional Summit to Counter Violent Extremism which was held in Sydney last week?

**Senator BRANDIS** (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:07): Yes, Senator Lindgren, I can. That summit, which followed on the heels of the White House Summit on Countering Violent Extremism in February, was directed to the issues of countering terrorist propaganda and radicalisation. It was opened by the Prime Minister. It was attended by, among others, the foreign minister and by senior representatives of the opposition, including Ms Plibersek and Mr Anthony Byrne. Delegates from 24 nations attended, including all of our significant regional partners, along with observers including Iraq and the European Union. The private sector, including the technology sector, in particular Twitter and Facebook, were well represented and played an active role. There was large representation from civil society groups. I can tell you, Senator Lindgren, the resounding feedback was that the summit was a historic event. Regional leaders acknowledged and thanked Australia for taking a regional lead in that regard.

**Senator LINDGREN** (Queensland) (14:08): Mr President, I ask a further supplementary question. Can the Attorney-General inform the Senate about the tangible outcomes coming from the regional summit?

**Senator BRANDIS** (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:08): Yes, indeed I can, Senator Lindgren. It was very important to us that there not merely be the expression of worthy sentiments, but that there should be tangible outcomes—and there were. Ahead of the UN General Assembly's meeting in September of this year, the summit resolved on certain practical measures, including developing a regional network of civil society groups to foster partnerships; better use of national and regional leaders to reach target audiences; a regional guide for government and civil society on effective engagement with the private sector; a regional best practice guide to develop responses to inhibit the dissemination of terrorist propaganda; a compendium of regional counter-narratives to amplify effective messages to counter the terrorist narrative; and enhancement of our respective communities'
capacities to challenge terrorist propaganda. This is a partnership among the nations in the region, which Australia is leading.

**Sydney: Martin Place Siege**

**Senator JACINTA COLLINS** (Victoria) (14:09): My question is to the Attorney-General, Senator Brandis. Attorney, I refer to the letter sent to the Prime Minister by the Secretary of the Department of the Prime Minister and Cabinet, Mr Thawley, which stated that the Monis letter of 7 October 2014 would have made no difference to the findings of the Martin Place siege inquiry. When was contact about the letter first made between the Attorney-General's Department and the Department of the Prime Minister and Cabinet? When was the Department of the Prime Minister and Cabinet first advised that the Attorney-General's Department provided misleading evidence to the parliament?

**Senator BRANDIS** (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:10): I do not know the answer to those questions, Senator. I do not know on what date my department communicated with the Department of the Prime Minister and Cabinet, but I will inquire.

**Senator JACINTA COLLINS** (Victoria) (14:10): Mr President, I ask a supplementary question. I refer again to Mr Thawley's letter which states that the Monis letter was one of five relevant documents that the Attorney-General's Department failed to hand over to the inquiry. Does the Attorney-General take responsibility for this failure?

**Senator BRANDIS** (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:10): Senator, I take responsibility for everything that happens within my department. But I might say that, although you correctly say that there were five letters, of those five letters four were in any event provided to the inquiry by other means.

**Senator JACINTA COLLINS** (Victoria) (14:11): Mr President, I ask a further supplementary question. Does the Attorney-General accept the longstanding convention that all statements provided to the parliament by ministers must be truthful? Why did reading bush poetry at estimates take priority over correcting his misleading evidence before the parliament? Why did it take one week this time? Last time it was a month.

**Senator BRANDIS** (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:11): Senator, I suggest you have a word to your leader and get your lines right. We heard from your leader, correctly, that it was three days. We now hear from you that it is a week. I do not know how you arrive at that conclusion, Senator Collins, but, as I told Senator Wong, when the concern was first raised with me on Monday afternoon—

**Senator Collins interjecting—**

**The PRESIDENT:** Senator Collins, you have asked your question.

**Senator BRANDIS:** I asked for the matter to be inquired into urgently so that I could establish the facts. That inquiry was undertaken. The information came to me early on the Thursday afternoon. It was immediately corrected, and in sufficient good time, by the way, for Senator Wong to interrogate me about it in Senate estimates later that afternoon.
Economy

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (14:12): My question is to the Minister for Finance and the Minister representing the Treasurer, Senator Cormann. Can the minister update the Senate on recent employment and economic growth numbers?

Senator CORMANN (Western Australia—Minister for Finance) (14:12): I thank Senator Bushby for that question. Since we last met, there have been some important updates on Australia's economic performance and our performance when it comes to employment creation. What these numbers show is that the government's long-term economic plan for stronger growth and more jobs is working. The national accounts released earlier this month show, for example, that Australia has one of the fastest-growing economies in the developed world. Australia's economy is growing faster than any economy in the G7. Of course these things have not happened by accident. These things have happened because this government has worked hard to turn around the situation that we inherited from our predecessors. When you look at the jobs numbers, for example, nearly 300,000 new jobs have been created since we came into government: 111,000 since the beginning of this year, over 22,200 every month, which is six times as many as in the last year of Labor. Of course, when we came into government, when we inherited a weakening economy, rising unemployment and a rapidly deteriorating budget position, we implemented our plan for stronger growth and more jobs and to repair the budget mess that Labor left behind. We got rid of the job-destroying carbon tax. We got rid of the mining tax. We reduced the red tape cost for business by more than $2 billion per year. We rolled out a record infrastructure investment program, investing in our future economic growth. Of course, the Minister for the Environment has made rapid approvals for projects worth about $1 trillion—projects that were lingering on Labor's desk when they were in government. That is, of course, how you strengthen growth and create more jobs— (Time expired)

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (14:14): Mr President, I ask a supplementary question. Will the minister advise the Senate of the government's plans to further strengthen economic growth and job creation?

Senator CORMANN (Western Australia—Minister for Finance) (14:15): As the Senate knows, the government's second budget was designed to build on the progress that we have made over the first 20 months or so in government and it seeks to keep the momentum on jobs and growth going. Today the Senate passed the centrepiece of our small business and jobs package, and we are very grateful for the Senate's support for a 1.5 per cent tax cut for small business, for a very important initiative in the $20,000 immediate asset write-off, which will encourage small businesses across Australia to invest in their future success and, as they become more successful, to employ more Australians. We understand that, as Australia goes through a significant structural adjustment, small business is going to be critically important in generating the growth of the future. Four and a half million Australians are employed by small business today, and we want many more Australians to be employed by small business in the future. (Time expired)

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (14:16): Mr President, I ask a further supplementary question. Will the minister inform the Senate of any alternative approaches, and what would be their effect on growth and jobs?
Senator CORMANN (Western Australia—Minister for Finance) (14:16): Yes, sadly, I can inform the Senate of some of the alternative proposals that have been put forward. We of course know that the Labor Party wants to reintroduce the carbon tax. We of course know that Mr Shorten and the Labor Party have not learned from their mistakes. They have not learned that the carbon tax was a job-destroying tax. They have not learned that reintroducing the carbon tax would just serve to push up the cost of electricity, push up the cost of doing business, cost jobs, cost investment—and of course they want to press ahead. We also know, as a result of the forensic questioning by coalition senators in Senate estimates, that the Labor plan for higher taxes on business will cost jobs. There was absolutely unequivocal evidence by Treasury officials that Labor’s plan to increase taxes for business will cost jobs. Then of course we have Labor’s $56 billion budget black hole. There is only one way Labor can fund that in the future if they ever get back into government, and that is through higher taxes. (Time expired)

Asylum Seekers

Senator DI NATALE (Victoria—Leader of the Australian Greens) (14:17): My question is to the Minister representing the Prime Minister, Senator Brandis. It relates to the very serious allegations that were made around Australian officials having paid off crews to turn around asylum seeker vessels. It requires a very simple yes or no answer. There is no long preamble here—a simple yes or no answer. Did Australian officials hand over payments to the crew of any boat carrying asylum seekers in an effort to induce them or to assist them to return to Indonesia: yes or no?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:18): Senator Di Natale, as you should know, no government comments on operational matters. However—

Honourable senators interjecting—

The PRESIDENT: Order on my right and on my left! Pause the clock.

Senator Di Natale: Mr President, I raise a point of order. I am concerned that the minister may have inadvertently misled the parliament, because when questioned about this last week, Minister Dutton in fact said that—

The PRESIDENT: Senator Di Natale, this is a debating point. It is not a point of order.

Senator Di Natale: He denied the allegation.

The PRESIDENT: Senator Di Natale, resume your seat. Attorney-General, you have the call.

Senator BRANDIS: I had not even finished the first sentence of my answer. No Australian government comments on operational matters, but I can assure you, Senator Di Natale, that everything this government has done has been within the law.

Senator DI NATALE (Victoria—Leader of the Australian Greens) (14:19): Mr President, I ask a supplementary question. When questioned about this earlier, Minister Dutton and Foreign Minister Bishop denied the allegation. My question is: subsequently the Prime Minister has refused to deny the allegations, and the stories in fact of Minister Dutton and Minister Bishop have changed. Why has the story changed and what is the correct version?
Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:19): There has been no difference whatsoever in what has been said by any minister on behalf of this government. We do not comment on operational matters, but everything the Australian government does is within the law. One thing the Australian people can be very confident of is that, under this government, unlike the previous government, we have stopped the boats. We have stopped the boats and we make absolutely no excuse for prosecuting the successful policies that stopped the boats, that stopped the people smugglers, that stopped the deaths at sea. If you care to have a look at the record, Senator Di Natale, it will tell you that, under the previous government, 812 illegal vessels journeyed to Australia. In the life of this government, in the nearly two years we have been in government, there has been one.

Senator DI NATALE (Victoria—Leader of the Australian Greens) (14:20): Mr President, I ask a further supplementary question. Will the Abbott government fully cooperate with any investigation into this matter, including handing over all operational details that are currently not being made available to the public?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:21): The Abbott government will observe its legal obligations at all times and we will pursue our successful policy of stopping the boats. Senator Di Natale, under the policies of the previous government, which you supported, more than 1,100 people drowned. People smuggling had become one of the great business enterprises of Indonesia because you encouraged that evil trade. I well recall during the 2013 election Labor spokesman after Labor spokesman fronted the media and said in relation to stopping the boats: 'It's too hard. It cannot be done.' Well, Senator Di Natale, we stopped the boats—we make no apology for it—and we will continue to do so.

Pensions and Benefits

Senator SESELJA (Australian Capital Territory) (14:22): My question is to the Minister for Human Services, Senator Payne. Can the minister advise the Senate what the government is doing to increase compliance and crack down on fraud in the welfare system?

Senator PAYNE (New South Wales—Minister for Human Services) (14:22): I thank Senator Seselja for his question. I think the best description of the government's approach to people who deliberately rip off our welfare system is to basically say: 'We have zero tolerance towards that sort of behaviour.' Overwhelmingly, the majority of people do the right thing, but we are very serious about detecting those who do not. So, as part of the 2014-15 budget, the government announced a $1.7 billion package that will seriously improve my department's ability to detect of payments, to recover debts and to investigate deliberate welfare fraud. The majority of those savings are going to result from a couple of factors: from improved data-matching capabilities that will see the government recoup, we estimate, more than $1 billion by identifying inconsistencies between income tax payments summaries provided by the Australian Tax Office and income declared to the Department of Human Services in three financial years—during 2010-11, 2011-12 and 2012-13. It is a measure which deals with people who received an income support payment and also received income through employment that has not been declared to the department of human services.
The government expects to uncover undeclared income that may range between several
fortnights to a few years and that will result in individual cases of debts between $1000 and
$50,000. The budget measure provides funding that will make the processing and recovery of
these debts effective for the first time. The budget measure also provides funding for a new
Welfare Fraud Task Force to identify and investigate potential fraud hotspots specifically. We
will also enable the department to automate our data matching with the Australian
Transaction and Reports Analysis Centre—AUSTRAC—to further improve our ability to
identify those potential offenders who may have unexplained wealth. (Time expired)

Senator SESELJA (Australian Capital Territory) (14:24): Mr President, I ask a
supplementary question. Minister, could you provide the Senate with further detail on the
Welfare Fraud Task Force and explain how it will better target fraud?

Senator PAYNE (New South Wales—Minister for Human Services) (14:24): I can do
that. The Welfare Fraud Task Force is going to specifically target high-risk geographic
clusters that are identified by the work of the department. The task force will have two teams
that are going to undertake very high visibility campaigns to investigate and deter welfare
fraud in the specific areas. We are currently working with the Australian Federal Police to
appoint a senior member of the AFP to lead this task force. That officer will lead the work to
identify geographic fraud hotspots and the associated investigations into both fraud and
noncompliance. Certainly, the AFP has previously seconded officers to my department, but
this individual will be a significantly more senior officer with a broader whole-of-government
approach to tackling welfare fraud.

Senator SESELJA (Australian Capital Territory) (14:25): Mr President, I ask a further
supplementary question. Can the minister update the Senate on the work the government is
already doing to combat welfare fraud?

Senator PAYNE (New South Wales—Minister for Human Services) (14:25): As I said at
the beginning, the overwhelming majority of people in receipt of payments from my
department are honest, but there continues to be a small number of people who try to defraud
the welfare system and to actively avoid detection in so doing. We use advanced data-
mining and data-matching techniques in conjunction with digital forensics and forensic accounting to
detect fraud and non-compliance. The 2014-15 fraud compliance budget measure that I have
just been speaking about will significantly strengthen my department's existing capabilities. In
fact, in the 2013-14 financial year our department's compliance and fraud control program
saved taxpayers over $870 million. In the same financial year my department also conducted
over 3100 criminal investigations with more than $49 million and referred 1158 matters to the
Commonwealth Director of Public Prosecutions. In addition, in that financial year the
department conducted over 180,000— (Time expired)

Taxation

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens)
(14:26): My question is to the Minister for Finance, Senator Cormann, representing the
Treasurer, who I believe is still Mr Joe Hockey.

Government senators interjecting—

Senator LUDLAM: We hit a sore spot. Why has the government—Mr President, it is so
rowdy.
The PRESIDENT: Order! Well, Senator Ludlam, do not invite that sort of rowdiness.

Senator LUDLAM: Why has the government ruled out considering changes to negative gearing or capital gains tax concessions as part of its tax review? If the government is not persuaded by the costed proposal to reform negative gearing introduced by the Australian Greens, will it at least reconsider its opposition in the light of the views of the head of the Abbott government's Financial Systems Inquiry, David Murray or Justice Richard Edmonds, who believes Mr Hockey's tax review has 'turned septic'? In the face of the evidence, will you include consideration of these measures in your tax review and, if not, why not?

Senator CORMANN (Western Australia—Minister for Finance) (14:28): I thank Senator Ludlam for his question and I am pleased to confirm again that the government has absolutely no plans to make any changes to negative gearing. The reason is that this government understands about market economics. We understand that the price of anything is a function of supply and demand. If you are going to reduce the supply of private rental properties, you will push up the cost of rents and you will reduce housing affordability for those Australians who are currently renting. That, of course, was the experience of the Hawke government: even the then Treasurer, Paul Keating, after having pressed ahead with a change in this space, had to pull back. Of course, at various times, various Labor politicians, who tried to make a name for themselves, popped up and tried to suggest that they would make a change. Mark Latham, when he was the shadow Assistant Treasurer, said he was going to make changes to negative gearing until he was called back by the then leader, Simon Crean. I notice there is another view that perhaps the Labor Party wants to go down again into this negative-gearing space but, when I was listening to Mr Shorten the other week, I was finding it very hard to understand what Mr Shorten was actually saying. Was he in favour of a change to negative gearing or was he in favour of the status quo? This led to his answer in the press conference last week, but I did not have a clue what he was talking about.

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (14:30): Mr President, I ask a supplementary question. Why have a number of government spokespeople, including the Treasurer, the Prime Minister and most recently the finance...
minister in this Senate, repeated the completely baseless myth that winding back negative gearing will increase rents? Will the minister commit to revising Liberal Party talking points to ensure that the debate proceeds on the basis of facts rather than people simply making stuff up?

Senator CORMANN (Western Australia—Minister for Finance) (14:31): It is not a baseless myth; it is actually lived experience. You can look no further than the experience of the Hawke government with Mr Keating as Treasurer when it tried to intervene in the market in this way. The basic proposition here is that we should stop people from being able to deduct the cost of generating income from their taxable income. That is what Senator Ludlam proposing. That is not a sensible way of running an economy.

I will finish by providing the factual information that I was starting to provide to the Senate before. Around half a million Australians in the 32.5 per cent tax bracket negatively gear. These are Australians earning between $37,001 and $80,000—hardly rich Australians. I understand that the Left in Australia and the Labor-Greens alliance want to run a class warfare campaign, trying to say that this is an unfair and unreasonable tax break for the rich. But, no, it is not, actually. (Time expired)

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (14:32): Mr President, I ask a final supplementary question. I refer to Ipsos polling published this morning indicating seven out of 10 Australians describe housing in our capital cities as unaffordable for prospective first home buyers, which is in direct contradiction to Mr Hockey's offensive free advice of a few days ago to just get a better job. Will the government commit to restoring the half a billion dollars of funding it tore out of housing affordability programs, including the National Rental Affordability Scheme, capital works for homelessness services, the first home savers scheme, the National Housing Supply Council, Homelessness Australia, the Community Housing Federation and National Shelter—(Time expired)

Senator CORMANN (Western Australia—Minister for Finance) (14:32): Obviously the government is very concerned to ensure that housing is as affordable as possible, but we also understand the laws of the market. The truth is that, if you want to make housing more affordable sustainably, you need to boost supply rather than boost demand. If you boost demand in an overheated market then you will push up the price of housing even further. This is one of the reasons why we will not take up Senator Ludlam's proposition to get rid of negative gearing.

Negative gearing is not a specific tax concession. 'Negative gearing' is a colloquial term for legitimate tax deductions for financing expenses associated with investments. The principle of allowing deductions for expenses incurred in the earning of assessable income is well established in our tax system. Incidentally, job classifications from the ATO show that the majority of people accessing negative gearing are teachers, nurses, clerical workers, emergency workers and salespeople. So the Greens can continue to run down this path where they will be hurting Middle Australia—(Time expired)
Food Labelling

Senator WILLIAMS (New South Wales) (14:34): My question is to the Assistant Minister for Health, Senator Nash. Can the minister inform the Senate on the progress that government is making with the changes to country-of-origin labelling?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:34): I thank Senator Williams for his question and commend him for the significant amount of work he has done on this issue. I am delighted to update the chamber on this very important issue. It has taken a coalition government to move to make changes to country-of-origin labelling. The Prime Minister announced on 26 February that the government will work to bring forward reforms to the country-of-origin labelling system that will be in the best interests of consumers. It was the Prime Minister who formed a working group of ministers to progress this issue. The working group includes the Minister for Industry and Science, the Minister for Agriculture, the Minister for Trade and Investment, the Minister for Small Business and me. It is this government that will ensure consumers have access to clear, consistent and easy-to-understand food labelling through changes that will allow for more informed choices.

This government has undertaken consultations across the country to hear input from industry, consumer groups, stakeholders and small to medium enterprises on what they believe the new graphic label and text should look like. The consultations were held in Darwin, Brisbane, Townsville, Launceston, Hobart, Melbourne, Albury, Armidale, Canberra, Perth, Adelaide, Mildura and Tweed Heads. We are working with industry groups to ensure the changes are practical, but the intention is to implement both a symbol and words that can be clearly read and understood. The symbol and words will identify two key things: firstly, that the product was made, grown or manufactured in Australia; and, secondly, what percentage—not specific percentages but increments—of the ingredients in a product was Australian grown. We are also looking to utilise electronic platforms to provide more comprehensive product information to consumers as only a limited amount of information can fit on food labels.

I can inform this chamber that progress continues to be made. The government has begun the consumer and market testing consultation phase, including a community survey, so that everyone can have their say on this important issue.

Senator WILLIAMS (New South Wales) (14:36): Mr President, I ask a supplementary question. Can the minister update the Senate on how stakeholders have reacted to the government's announcement to change country-of-origin labelling laws?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:36): I am very pleased to update the chamber on the reaction to the government's announcement on changes to country-of-origin labelling laws. It has been extremely positive. AUSVEG stated in their media release on 9 June 2015:

We welcome the initiative from the federal government to gauge consumer attitudes on country of origin labelling reforms, as consumers have repeatedly called for meaningful changes …

CHOICE stated in their media release on 9 June:

… the Federal Government's call for consumer and community feedback is a great step towards creating a meaningful and clear country of origin labelling system.
The National Farmers' Federation stated in their media release of 9 June:

… Brent Finlay has welcomed the Government's commitment to improve the Country of Origin Labelling arrangements.

AFGC Chief Executive Gary Dawson has stated:

We're working actively with the government on ways of simplifying the system ...

This government's proposed reforms have strong support from community and industry.

**Senator WILLIAMS** (New South Wales) (14:37): Mr President, I ask a further supplementary question. Can the minister advise the Senate of the response of states and territories to the proposed changes to country-of-origin labelling laws?

**Senator NASH** (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:37): I can advise the chamber that we have also started discussions with state and territory governments, whose cooperation will be required in order to implement a meaningful new labelling system. I can advise that on 8 May 2015 the COAG Industry and Skills Council agreed in principle to support country-of-origin labelling changes. I am also pleased to inform the chamber that the Agriculture Ministers' Forum also agreed in principle to support country-of-origin labelling changes. The Australian government ministers committed in principle to improving the country-of-origin labelling framework and agreed to work collaboratively to progress the initiative. I can also update the chamber that I have put country-of-origin labelling on the agenda for the Australia and New Zealand Ministerial Forum on Food Regulation, which I chair, for the meeting in July. I look forward to updating the chamber after the meeting. It is this government that is determined to introduce changes that will make it easier for consumers to identify locally-grown and processed food.

**Asylum Seekers**

**Senator KIM CARR** (Victoria) (14:38): My question without notice is to the Minister representing the Prime Minister, Senator Brandis. I refer to the Minister for Foreign Affairs and the Minister for Immigration and Border Protection, who have both denied that the Abbott government paid money to people smugglers. Were they telling the truth?

**Senator BRANDIS** (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:39): Senator Carr, unlike the government of which you were a member, all ministers of our government tell the truth at all times. As you know, we do not discuss operational matters. But I can assure you that, at all times, Australia has acted within the law.

**Senator KIM CARR** (Victoria) (14:39): Mr President, I ask a supplementary question. I refer to the Prime Minister's refusal to deny that this government paid money to people smugglers. Who was right—the foreign minister and the immigration minister, or the Prime Minister?

**Senator BRANDIS** (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:39): Senator Carr, I have to admire your chutzpah raising the subject of people smuggling in this chamber, when you were a member of a government that lost control of our borders. You sat around a cabinet table that made decisions that sent 1,100 or more people to their deaths; you sat around a cabinet table and made decisions that saw people smugglers put back into business in Indonesia; you sat around a cabinet table which saw decisions that resulted in more than
800 boats—more than 50,000 people—arrive on our shores. This government, the Abbott government, has stopped the problem you created, and we make no apologies for our success.

Senator KIM CARR (Victoria) (14:40): Mr President, I ask a further supplementary question. Minister, it is a simple question: did the Abbott government pay money or bribes to people smugglers?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:40): The Abbott government has taken the necessary measures to succeed where you have failed and at all times has complied with the law.

Vocational Education and Training

Senator EDWARDS (South Australia) (14:41): My question is to the Assistant Minister for Education and Training, Senator Birmingham. Will the minister update the Senate on how the government is delivering choice and flexibility for the vocational education and training students in our home state of South Australia?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (14:42): I thank Senator Edwards for his question. Under the national partnership on skills reform, the Commonwealth government is providing all states and territories with $1.8 billion through the life of that partnership to support students and employers access effective choice in their training provider and the course they undertake. Under that agreement, which I acknowledge was signed by the previous government under the leadership of Ms Gillard, states and territories have committed to a range of measures, including that students and employers have more choice through more equal availability of funding to support training places regardless of whether that registered training organisation is a public or private provider. In South Australia, in particular, the state government will receive some $126.9 million over the life of the agreement, including a total of $65 million over the remaining two years to run—2015-16 and 2016-17.

It is a key tenet of this agreement that it delivers choice to students and employers. Independent research backs up that choice is important. The National Centre for Vocational Education Research demonstrates that when students are given the choice of where they access their training and the course they undertake training in enrolments go up, student employment goes up and student satisfaction and employer satisfaction go up. It is a very important principle. I am pleased to acknowledge that the South Australian government seems to agree, but I am baffled that they are backsliding on that choice. At the time it was agreed, 74 per cent of VET funding in South Australia was contestable. But last month they announced a new policy which will now see more than 90 per cent of new places over the next year guaranteed to the TAFE sector, shutting out and shutting down choice for students and employers and many of the training providers they are meant to be supporting.

Senator EDWARDS (South Australia) (14:44): Mr President, I ask a supplementary question. Will the minister further advise the Senate how a new skills and employment policy announced by the Labor government in South Australia will negatively impact such students as well as employers and vocational education and training sectors, particularly in regional areas?
Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (14:44): The chorus of criticism for this new WorkReady policy from the South Australian government has been widespread. I will highlight some of those critics to demonstrate that is not just our government and me as a minister but a wide range of key stakeholders who have concerns. The South Australian Council of Social Service and the Mental Health Coalition of South Australia has said that:

... will destroy investments in high quality training infrastructure that Registered Training Organisations (RTOs) linked to community based organisations have built up over the last decade.

The organisation Regional Skills Training has said that it will be enormously detrimental for young people in SA. The Master Builders Association of South Australia has said that the new policy could lead to construction skill shortages and higher costs for homebuyers. The Restaurant and Catering Industry Association has said that:

...this decision overturns many years of competition in the training market at a time that our industry can't afford to have less skilled labour supply.

This is a devastating decision that the state government really needs to reconsider.

Senator EDWARDS (South Australia) (14:45): Mr President, I ask a further supplementary question. Will the minister advise the Senate what the Commonwealth is doing to protect students and employer training choice in South Australia?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (14:46): On 29 May, I did what the state government has not done; that is, sat down and listened to all of these critics of their new policy in South Australia. I heard from those on this diverse spectrum, ranging right from the South Australian Council of Social Service all the way through to Business SA, who are intense critics of the new policy because it destroys choice for students and choice for employers.

I want to see both the letter and the spirit of the agreement that the state Labor government voluntarily entered into with the previous federal Labor government upheld. I am urging the state government to provide the necessary data and information to demonstrate that they are in compliance with that agreement. More importantly, I urge them to listen to the critics, listen to SACOSS, listen to Business SA and listen to the training providers; to reconsider their policy; and to give real choice that does help to lift quality outcomes, lift employer and student satisfaction and lift employment outcomes from training. (Time expired)

Legal Aid

Senator KETTER (Queensland) (14:47): My question is to the Attorney-General, Senator Brandis. Can the Attorney-General confirm that the new Commonwealth community legal centre funding agreements include gag clauses?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:47): I can confirm that they do not. I do not know what you mean by the phrase 'gag clauses', but I take it that you mean clauses that prohibit the utterance of commentary or advocacy. The answer to your question is, 'No, they do not.' But we do not fund advocacy. If people want to engage in advocacy, that is entirely a matter for them.

At a time when the amount of money available for legal assistance is limited, what the government has done is prioritise it so that we put clients before causes. We put clients before
causes and we ask those who the Commonwealth assists through the National Partnership Agreement on Legal Assistance Services to prioritise work for clients. We do not fund them to engage in advocacy. We do not prohibit advocacy, but they are not funded for it.

Senator KETTER (Queensland) (14:48): Mr President, I ask a supplementary question. Notwithstanding the Attorney-General's response, can the Attorney-General confirm that there are clauses within the funding agreements that would prevent community legal centres from using any resources provided by the Commonwealth to make submissions to royal commissions and governments on matters including family violence, Indigenous justice and child abuse?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:49): There are clauses that require those whom the Commonwealth funds through the national partnership agreement to spend all of that money on looking after and representing the needs of individual clients. There are clauses that say that the Commonwealth's funds are not to be used for advocacy. If those who work in the sector wish to engage in advocacy, that is entirely a matter for them. But we do stipulate as a condition of the Commonwealth's support for community legal centres that the Commonwealth's contribution is not be spent on advocacy because the demand from clients is great enough to exhaust the available resources anyway.

Senator Ketter, I know you take an interest in this area. I hope you will see the importance of prioritising so that we look after flesh and blood people and people in need before political causes. (Time expired)

Senator KETTER (Queensland) (14:50): Mr President, I ask a further supplementary question. Why does the Attorney-General believe that bigots have the right to free speech but not community legal centres?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:50): I am one of those people who believes that everybody has the right to free speech. I believe that people who work in community legal centres, of course, have a right to advocate any causes they like. I also believe that when the Commonwealth, through the national partnership agreement, is funding those community legal centres—or, as Senator Cormann rightly says, as the taxpayers are funding them—the money should be spent where it is needed most.

Senator Ketter, if you are as familiar with the community legal sector as I believe you to be, then you would understand that the resources of those community legal centres are most urgently needed to look after individual men and women—particularly women—in necessitous, urgent circumstances. That is where the money should be spent first. (Time expired)

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Migration

Workplace Relations

Senator McKENZIE (Victoria) (14:51): My question is to the Assistant Minister for Immigration and Border Protection, Senator Cash. Will the minister update the Senate on the suite of measures this government is deploying to deliver on its commitment to tackling illegal workers, visa fraud and worker exploitation, including the recent national day of action?
Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:52): I thank Senator McKenzie for her question and I acknowledge her longstanding interest in ensuring that the rights of workers are protected.

This government has a longstanding commitment to compliance in the immigration system and to ensuring that at all times the highest levels of integrity are maintained. I can advise the Senate that on Wednesday, 27 May 2015, a national day of action was held, leading to the detention of illegal workers and the gathering of crucial intelligence. The immigration and border protection portfolio, in conjunction with the Fair Work Ombudsman, staged Operation Cloudburst, targeting the fraudulent use of temporary visas and unscrupulous practices by employers and labour hire contractors. Eleven operations were conducted in all states, also involving state and federal police. A total of 38 illegal workers were detained during Operation Cloudburst. This unprecedented crackdown on illegal working and on the exploitation of workers sends a very clear message to those doing the wrong thing.

This government has made it very clear that we will not put up with unscrupulous employers and labour hire companies blatantly flouting the law and allowing overseas workers to work illegally in Australia. Operation Cloudburst supports the government’s announcement of the establishment of Taskforce Cadena to address allegations of fraud and worker exploitation involving temporary visa holders.

Opposition senators interjecting—

The PRESIDENT: On my left!

Senator CASH: As well locating and detaining 38 illegal workers, the operation has led to the collecting of important intelligence. The intelligence will form the basis of the taskforce work going forward and will potentially lead to further investigation and possible prosecutions. The penalties for employers who flout the law are well known and should not be taken lightly. This government will be as tough on those seeking to exploit our workplace laws as we have been on those who seek to exploit our borders.

Senator McKENZIE (Victoria) (14:54): Mr President, I ask a supplementary question. Can the minister advise the Senate of the activities of Taskforce Cadena, the new taskforce dedicated to reinforced tackling of allegations of fraud and exploitation involving temporary visa holders?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:54): Taskforce Cadena is part of this government's visa enforcement strategy, which will be conducted by the Australian Border Force. This is a joint taskforce led by the Department of Immigration and Border Protection and the office of the Fair Work Ombudsman. It will work with relevant agencies, including the AFP, ASIC, the ATO, and state and territory agencies as required, to ensure that instances of exploitation and visa fraud are properly investigated. Taskforce Cadena's important work will reinforce existing efforts to stamp out illegal practices involving foreign workers, particularly in the labour hire industry. Organised criminal networks and unscrupulous labour hire contractors seeking to profit by exploiting both illegal and legitimate workers, and the taxpayer, should be under no illusion—Taskforce Cadena is targeting you.
Senator McKENZIE (Victoria) (14:55): Mr President, I ask a further supplementary question. Can the minister inform the Senate why it is important to maintain a high level of integrity and compliance across all visa programs?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:55): Australians have an expectation that across all visas the products are being used for their intended purpose. The coalition government has sustained a concerted focus on compliance within the immigration portfolio since being elected to office in 2013. The benefits of maintaining compliance are twofold: it not only ensures that we catch those who seek to misuse our migration programs, but, importantly, it ensures Australians retain faith in our migration programs, which, as we know, contribute greatly to our economic and social prosperity. It must be acknowledged that the overwhelming majority of employers in Australia do the right thing, and that the overwhelming majority of visa holders in Australia do the right thing. However, for those who seek to abuse the system, to exploit workers, or to circumvent our migration laws, we have a very simple message: we are targeting you. Our focus on compliance is unwavering and is here to stay. (Time expired)

Australian Human Rights Commission

Senator McEWEN (South Australia—Opposition Whip in the Senate) (14:56): My question is to the Attorney-General, Senator Brandis. Does the Attorney-General understand that his primary role as the first law officer of the Commonwealth is to uphold the rule of law? If so, why has the Attorney-General failed to defend the president of the Human Rights Commission, Professor Gillian Triggs, from unprecedented personal and partisan attacks and from being induced to resign?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:57): The answer to your first question is yes. The answer to your second question is: I am sorry to say that the government has lost faith in Professor Triggs, and we consider her position to be untenable. Let me explain why. The Human Rights Commission, and in particular the president of the Human Rights Commission, must command the confidence of both sides of politics to do their job well.

We understand perfectly that the Human Rights Commission and its president will on occasion have cause to criticise the government of the day. In fact, that is their task. It is all the more important, therefore, that the president of the Human Rights Commission protect her reputation and the commission’s reputation for not engaging in partisanship. I am afraid that that reputation has been lost by the president. The fact is that Professor Triggs told Senate estimates last November that when she came into office in the middle of 2012 she saw that there was an urgent need to conduct an inquiry into children in detention—children who peaked at almost 2,000 in number during the period of the previous Labor government—and yet she delayed the holding an inquiry into an issue, which she herself had identified as an urgent issue, until after the election was out of the way, more than a year later.

Opposition senators interjecting—

The PRESIDENT: On my left!
Senator BRANDIS: In doing so, she created the impression with many, many Australians that she was doing the Labor party a favour by getting the election out of the way before embarking on this urgent inquiry.

Senator McEWEN (South Australia—Opposition Whip in the Senate) (14:59): Mr President, I ask a supplementary question. Can the Attorney-General confirm his statement? Professor Triggs does not have a relationship with the government. The Human Rights Commission does; the president does not.

Why does the Attorney-General continue to undermine the President of the Human Rights Commission and the institution that she leads?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:59): I can confirm that statement. That is the case for the reasons I just explained.

Senator McEWEN (South Australia—Opposition Whip in the Senate) (14:59): Mr President, I ask a further supplementary question. Why is the Attorney-General happy to stand in this place to defend the rights of bigots but will not defend a statutory office holder who promotes and protects the human rights of all Australians?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (15:00): I will not defend a person who has damaged the reputation of the institution that they are meant to lead. I will not defend a person who has damaged the reputation of the institution that they are meant to lead; no, I will not. I will tell you the truth: I do not have confidence in Professor Triggs, because I believe that she played a partisan game, and that is the one thing that the leader of the Human Rights Commission must never do.

As for the rest of the members of the Human Rights Commission, there are some who come from the Labor side of politics, like Dr Tim Soutphommasane, there are some who come from the Liberal side of politics, like Mr Tim Wilson, but they do a good job because they are wise enough, they are careful enough and they are canny enough not to ensnare the Human Rights Commission in partisan politics. That is the reason why I and people on my side of politics have lost confidence in the president while maintaining confidence in the—

(Time expired)

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

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Answers to Questions

Senator JACINTA COLLINS (Victoria) (15:01): I move:

That the Senate take note of the answers given by the Attorney-General (Senator Brandis) to questions without notice asked by Opposition senators today.

Those questions focus on this government’s attempts to avoid scrutiny across a range of different areas. It has become obvious to the Senate that, since its censure motion against Senator Brandis passed, his pattern of behaviour has only gotten worse. Let me run through, in the limited time that I have, some of those issues; I am sure that my colleagues will pick up the other matters raised.
My question to Senator Brandis today focused on the Monis letter. He told us that on 27 May Katherine Jones—but indeed he himself—gave evidence to the Legal and Constitutional Affairs Committee estimates hearing. What happened next? Next Ms Bishop entered the House and accused both me and the shadow Attorney-General of asking contemptuous questions. This is not the first time that—either directly or indirectly—Senator Brandis has accused me of taking a contemptuous approach to something. So let us look more closely at what is occurring here.

We heard today—and, in fact, Senator Brandis essentially blamed Mr Moraitis, his secretary, for this—that it took three full days for his department to satisfy him about a very basic inconsistency. When the inconsistency was pointed out to him on Monday, 1 June, he said that he wanted to understand the facts. Well, where are those facts, Senator Brandis? You did not give us those facts in answers to questions today, even though it took you three days to get them. You had to take further questions on notice because you do not have those basic facts in front of you. What has not been answered is why it took a full week after we were accused of asking contemptuous questions for the Legal and Constitutional Affairs Committee to be satisfied—sorry, to receive a correction. Indeed, we are far from satisfied, because we have had no opportunity to ask further questions. When we sought urgently to ask further questions within the Legal and Constitutional Affairs Committee, government senators stalled. They will not make time available to deal with this issue, so we will need to investigate other means.

Why won't government not face scrutiny on this? We suspect that there are issues with the other four documents that Mr Thawley referred to. Why was it that five documents were lost within the Attorney-General's Department? That is the critical issue. Why were four other documents made available to the Thawley review from other departments, when the lead department that is meant to have responsibility for national security could not provide those same documents? Where is the problem? Where is the logjam?

We have been accused of asking contemptuous questions in relation to the Lindt siege. These are not contemptuous questions. These are questions about how well we will manage such things in the future and how well is the Attorney-General's Department assisting in identifying when we should be alert and when we should be responding to issues. We now know—unlike three weeks ago—that there were five documents that the Attorney-General's Department failed to identify. All that we got today from Senator Brandis was that he is essentially blaming his secretary for taking three days to come back to the parliament. It should not have taken three days from 1 June until 4 June to identify the facts behind the advice that you were given on 1 June. It brings back memories to me of the 'children overboard' affair: 'We have plausible deniability until the full facts are provided.' Why did the Attorney-General delay this so long?

Mr Moraitis had already been counselled by me on this occasion as to why it took one month to come back to the committee about the correction of whether he had lost his briefcase—why on earth it takes one month to correct the evidence to the Legal and Constitutional Affairs Committee that, in fact, his briefcase had not been lost. This was the issue that Senator Brandis accused me of being contemptuous about—the nature of the evidence on the earlier occasion in relation to the Australia Human Rights Commission
President. That is the other area where this government refuses to face scrutiny or, indeed, respond to a serious censure motion of this Senate.

The pattern of behaviour of this Attorney has only become worse. We saw it again today in the discussion over payments to people smugglers. How can he stand behind operational reasons or operational factors on an important question that all in the public want to have clarified? (Time expired)

Senator SESELJA (Australian Capital Territory) (15:06): I want to respond to all three areas that the Labor Party have raised in their questioning of ministers today. Senator Collins touched on two of them. If this is the best the Labor Party have got, they are in serious trouble. Let us look at each of them. Senator Collins has come here on this issue around the letter and the best attack that she could make was that it took three days to get to the bottom of the matter. That seems to be at the heart of the criticism from Senator Collins. I say to Senator Collins and to other senators opposite that, when it comes to national security, our record is one we are very proud of. It is an issue we treat with the utmost seriousness. From time to time, as those opposite would know because they experienced it in government, incorrect information is provided, inadvertently, by officials. In this case, that was acknowledged and there was an effort to get to the bottom of it and ensure that the correct answer was given. So Senator Collins's great attack appears to be that it took a few days to ensure we got the accurate information and got it to the parliament. That is not a legitimate criticism; it is not a decent criticism. I think Senator Collins suggested that Senator Brandis was trying to blame his secretary. Nothing could be further from the truth. In fact, in getting to the bottom of it and coming back promptly, I think Minister Brandis would be very satisfied with the actions of his secretary. We could compare all sorts of instances under the previous government in terms of coming back and correcting the record, in some cases, on multiple occasions. And we would compare very favourably. But I come back to the central point and that is that we take our national security responsibilities very seriously.

What we have seen from those opposite on this issue is simply an attempt to play petty politics and petty point-scoring politics on what is a very serious issue. We will continue to work diligently, to ensure that the terrorist threat that this nation faces is dealt with in a strong and effective way. I believe that is what we are doing at the moment, but of course we need to be ever vigilant on these issues.

Other issues raised were around people smugglers and, of course, we had the reference to Professor Triggs. Those two of course are related, because one of the reasons that there have been criticisms of Professor Triggs by this government is that we saw the decision to launch an inquiry into the issue around children in immigration detention at a time when this government had massively reduced the number of children in immigration detention. Professor Triggs was at an event today where I heard her reference 126 children now in detention. I do not know whether that is the exact up-to-date number but it was the number that Professor Triggs quoted today. That compares to around 2,000 at the height of the Labor Party's failed border protection policies. I note that there have been some protests in recent times—I note that this is Refugee Week—and I hope that at those protests there will be an acknowledgment, as they protest immigration detention policies and as they protest children in detention, that under this government we have seen a massive and substantial reduction in the number of children in detention with a view to there being none, as there was at the end of the Howard government.
So it is important that we put facts on the table when it comes to these matters and that we compare our record with the record of those opposite, who are asking the questions. When it comes to Professor Triggs's intervention, which senators opposite asked about, one reason that those on the government side do not have confidence in Professor Triggs is that she did not take it seriously enough to investigate children in detention, when in fact there were up to 2,000 under the former Labor government, but saw fit to investigate at a time when the coalition were dramatically reducing that number and dealing with the serious issues we had inherited.

In fact, we were stopping the boats, something that those opposite said we could not do. Those opposite said that we could not stop the boats. We have and there have been significant benefits as a result. One of those benefits is that we have seen a significant reduction in the number of children in detention. (Time expired)

Senator CAMERON (New South Wales) (15:12): I appreciate the opportunity to engage in this take note of answers debate this afternoon because Senator Brandis's responses to questions without notice today epitomise what this government is. It is pompous, arrogant and out of touch. Senator Brandis showed all of those traits today. Senator Brandis is the Attorney-General, whose role is to defend the integrity of statutory public officials such as Professor Triggs and yet what does he do? He attacks that public official. Under Senator Brandis's watch the integrity of our system of governance in this country is declining badly because Senator Brandis is more intent on the politics of what he can do and not on what are the legal and constitutional issues that he should be looking after.

Then there was the arrogance of Senator Brandis during Senate estimates when he was reading bush poems, when serious issues were being discussed. I looked to see what kind of bush poem epitomises Senator Brandis. The one that I found was Banjo Paterson's Mulga Bill. Mulga Bill was a man who claimed he was excellent at everything and he was going to be an excellent cyclist. Mulga Bill was full of pride, arrogance and self-delusion. Who does that remind you of? It certainly reminds me of Senator Brandis. Mulga Bill got on the bike and, as Banjo Paterson said, he did it with a 'lordly pride'. He lost control of the bike.

At the end of the poem, it says:

And then as Mulga Bill let out one last despairing shriek
It made a leap of twenty feet into the Dean Man's Creek.

Well, Senator Brandis is in Dead Man's Creek, because Dead Man's Creek is where failed ministers go. That is why we have Mark Kenny in The Sydney Morning Herald saying that George Brandis 'could be the first man overboard'. And why shouldn't he be the first man overboard in this government? He has failed as the Attorney-General to do what an Attorney-General should do.

We have had these lofty speeches about looking after the security of this country. Senator Brandis was asleep at the wheel on national security at a time when we were told that we were under the highest threat in the history of this country. He has failed to put in proper procedures and protocols to deal with suspicious correspondence. His office received a letter from Man Haron Monis only weeks after the Prime Minister stood up and told all Australians that they had to be more alert and to refer everything suspicious they saw to relevant security agencies. This was correspondence from a known felon. He was on bail in relation to charges...
of violent assault. He had been in litigation with the Commonwealth and our highest court. He wanted to make contact with the head of ISIS and then referred to him as the 'Caliph', which is a term used by supporters of the group that this Prime Minister refers to as the 'death cult'. This was anything but routine correspondence, as claimed by Senator Brandis. This was a letter stamped as routine by Senator Brandis's office and referred to his department for a pro forma response. To make matters worse, it was not even referred to ASIO or the Australian Federal Police.

The Mulga Bill of the Senate, Senator Brandis, should not hang around and wait to get the flick. He should have the courage to say, 'I have failed; I have let the country down,' and he should just go away, onto the back bench, and read poetry—read Mulga Bill. (Time expired)

Senator EDWARDS (South Australia) (15:17): I rise also to take note of answers and, particularly, the opposition's assertions about the scrutiny of the acting leader here. This is a very serious issue—the Lindt cafe siege and the security of this country are things that no Attorney-General would ever intend to stint on. I am sure it was not the former Attorney-General's intention to do that either, but it is interesting that Mr Dreyfus, the former Attorney-General of this country, was asleep at the wheel, if you could put it that way, on a national security issue. His record on the protection of our borders is nothing short of incompetent. He has tried to score a cheap political point out of a national tragedy and he ignores the fact that the matter was dealt with in exactly the same way that it would have been under him as the previous Attorney-General.

The letter was handled in accordance with long-established Attorney-General's Department procedures. Those procedures did not identify anything untoward in the letter. Those senators opposite—as do I and my staff—open mail every day in this place and at electorate offices. You attract the very highest level of intellect and capacity in the representations made to you, but you also receive some fairly crazy stuff. Mr Dreyfus also avoids the fact that the letters from Monis were sent to him as well as to other Labor ministers, including then Prime Minister Gillard and then Attorney-General McClelland. That is all missing from this debate, isn't it?

Senator Conroy interjecting—

The DEPUTY PRESIDENT: Order!

Senator EDWARDS: This is about taking a national tragedy and using it for cheap political points. The director-general of ASIO, a person of impeccable credentials, has examined the letter and advised that it had been dealt with in an appropriate way—

Senator Conroy: Can't blame the security services!

The DEPUTY PRESIDENT: Order!

Senator EDWARDS: by being referred to the Attorney-General's Department. Despite all the demonstrations and shrillness from over there, we have an opposition who are, indeed, somewhat missing.

Senator Conroy: You can't hide behind the security services.

Senator EDWARDS: This is about national security. I note Senator Conroy chipping in; at the time, he was the Minister for Defence.

Senator Conroy: No, I wasn't.
Senator EDWARDS: He is now the shadow minister for defence. He sat in the cabinet room while the previous government, the Rudd-Gillard-Rudd government, failed to do anything about developing a submarine shipbuilding contract—for six years. Not only did they fail to do that for six years; they took $16.8 billion from the Defence budget. This government will always do the right thing by the Australian people and will act within the law. When it comes to Operation Sovereign Borders, we will operate within the confines of the security of those operations.

Before I finish, I put on the record that, on 25 July 2012, the former Prime Minister Mr Kevin Rudd said:

The robust principle of all prime ministers and foreign ministers, past and present, is that we don't comment on intelligence matters.

Furthermore, the then Minister for Foreign Affairs, Bob Carr, said on Sky News on 28 May 2013:

I won't comment on matters of intelligence and security for the obvious reason—we don't want to share with the world and potential aggressors what we know about what they might be doing and how they might be doing it.

I suggest that they get on with some more serious policy matters on the other side and stop getting in the way of a government that is doing a very good job.

Senator KETTER (Queensland) (15:22): In speaking to this motion to take note of answers I rise to defend the freedom of speech of community legal centres, a sector in our community that is performing very valuable work on behalf of the vulnerable in our society. I do not need to remind honourable senators that approximately 250,000 people every year help this sector's campaigns for reform on a range of issues, including domestic violence, child abuse and other issues. It was reported recently, and it prompted the question to the Attorney-General, that the sector is worried about gag clauses being contained in agreements which are being developed between federal and state governments.

Whilst the Attorney-General in his response has denied that these are in fact gag clauses, he has confirmed in his response that the funding that is going to be provided to the CLCs is not to be used for advocacy, and he indicated that community legal centres could pursue 'any causes they like', in his words. But in his words the resources are most urgently needed elsewhere, other than in the field of advocacy. This is I think a fundamental misunderstanding of the role of community legal centres and the struggle for justice which has taken place in this country over a number of decades in which our CLCs have been at the forefront. The extensive experience of these organisations at the very front line of service delivery means that they are often able to provide unique insights and contributions to policy development in their areas of expertise. And as organisations are in close contact with disadvantaged Australians through public advocacy they provide another important avenue to justice by giving a voice to those who are often less able to advocate for themselves.

Lawyers at community legal centres are in a unique position to learn through real-world experience what is working and what is not in important areas such as consumer protection law, prohibitions on predatory lending practices, and laws to protect women and children against domestic violence. I know that the Attorney-General has an interest in those areas, so it is somewhat concerning that this valuable work is being curtailed by the funding approach of the Commonwealth.
But now of course in addition to the brutal funding cuts to legal services that this government has imposed since coming to office the Abbott government has directed that community legal centres must not spend Commonwealth funds on advocacy or law reform work. As I have indicated, I believe that this is a misconception of the role of CLCs which has occurred over a number of decades, in three particular areas. Firstly, Senator Brandis appears to draw a peculiar distinction between the needs of individual clients and the needs of the broader community. So, CLCs are self-evidently intended to serve their communities as a whole. And there are longstanding relationships with other organisations and they have the understanding to pursue issues on behalf of their client base. Secondly, Senator Brandis's argument that funding for advocacy necessarily comes at the expense of so-called actual clients is in my view deeply misconceived. And of course it could be said that we are not talking about a zero-sum game in this area. Casework and advocacy are mutually reinforcing. The cumulative experience that CLCs gain in their casework informs their advocacy. CLCs become specialists in the types of legal problems that afflict their clients and their communities. And the third argument I would put is that the government has failed to understand that CLCs are not just a particular sort of charity intended to provide free legal advice or representation. Those who founded the CLC movement saw systemic injustice in Australian law and society, and they intended to change that system. The legal assistance sector as a whole will be the poorer if we allow them to be restricted the limited purpose. CLCs have made a contribution to law reform disproportionate to their modest size and funding and the expert advocacy of community lawyers has indisputably made our legal system fairer. (Time expired)

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

Question agreed to.

Asylum Seekers

Senator DI NATALE (Victoria—Leader of the Australian Greens) (15:27): 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 Di Natale today relating to recent media reports concerning people smugglers.

The recent reports around people-smuggling payments being made to the crews of vessels carrying asylum seekers in Australian waters raised some very serious questions, and not just because they jeopardised the relationship we have with an important trading partner in Indonesia—although that in and of itself is serious enough, and for a government who prided itself on having a focus more on Jakarta than Geneva, every misstep this government has taken when it comes to relations with our nearest neighbour have further served to jeopardise that relationship. But it is also important because it raises questions of the potential breach to domestic and indeed international law. Further still, it raises questions about the nation that we are and the lengths that we are prepared to go to in order to serve a particular policy need.

These are very, very serious allegations, and they demand an answer; they absolutely demand an answer. We had a government that was elected with the promise to be open and transparent, honest and accountable, and instead they have served over the past year and a half, since being elected, as a government that has done nothing other than treat the Australian community with the utmost contempt. In the Prime Minister's response to this very serious
issue he said that he would address it by hook or by crook. And that is our fear: that he is focusing on the crook part of the equation, that in fact what we are seeing a very serious breach of domestic and indeed international law. It is almost as though they are waving us away as though it is some sort of minor infringement—a parking fine. This is a very serious issue. It has put at risk our relationship with Indonesia and we are now considering allegations about whether the Australian government has engaged in the people-trafficking business. Today Senator Brandis referred to it as an operational matter and that he would not comment on operational matters. We have heard these issues being described as on-water matters or matters of national security—frighteningly Orwellian are the responses that we are getting from this government.

Of course, the stories have changed over time. We had vehement denials from the immigration minister, Minister Dutton, and indeed from the foreign minister, Minister Bishop. Their language has changed over recent days. The Prime Minister has been evasive, refusing to rule it out, and now we have Minister Dutton who refuses to rule out whether payments have been made. Today, when asked a very specific question in question time, Senator Brandis refused to rule out whether payments were made to people smugglers. He refused to rule it out. We could stop this debate right now with a simple denial from the Prime Minister or, indeed, the Minister representing the Prime Minister in this chamber, Senator Brandis, and yet he will not do it.

Right now we need a full, thorough, independent investigation of these matters. The Greens have written to the Australian Federal Police. We believe that this matter warrants their attention. If Australian officials have indeed paid people smugglers, if they have paid the crews of boats carrying asylum seekers in an effort to induce or assist them to return to Indonesia, that is a very serious offence. Of course, Minister Brandis's defence is: 'We've stopped the boats. It doesn't matter: whatever it takes, we'll sink to any depth, but we've stopped the boats.' Here is a message for Senator Brandis: stopping the boats is easy; you just have to sink to the depths and depravity of those regimes that forced those people to leave their homelands. You have to make the conditions as harsh and as cruel and as brutal as the conditions in which people have fled. Stopping the boats is easy. The question is: at what price? Are we prepared to continue to see young kids in detention self-harm? Are we prepared to continue to see women being denied treatment when they are pregnant? Are we prepared to continue to engage in this despicable trade?

Regardless of how you feel about the issue, this is broader than just the issue of refugees and asylum seekers; it is about the rule of law, it is about ensuring that we keep a check on executive power and that we do not dismiss these very serious allegations with the trivial responses we have seen so far. (Time expired)

Question agreed to.

CONDOLENCES
Johnson, Hon. Leslie Royston, AM

The DEPUTY PRESIDENT (15:33): It is with deep regret that I inform the Senate of the death on 26 May 2015 of the Honourable Leslie Royston Johnson, AM, a former minister and member of the House of Representatives for the division of Hughes, New South Wales, from

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (15:33): by leave—I move:

That the Senate records its deep regret at the death, on 26 May 2015, of the Honourable Leslie Royston Johnson, AM, former minister and member for Hughes, places on record its appreciation of his long and highly distinguished service to the nation and tenders its profound sympathy to his family in their bereavement.

The Honourable Les Johnson was born in Sydney on 22 November 1924. He was educated at Belmore and Sydney Technical College, and in 1939, at the age of 14, he was apprenticed as a fitter and turner, going out to work at such a young age to help the family finances in the grips of the Great Depression. He also studied business administration at night school and became an organiser for the Federated Clerks Union in 1945. He then worked for the Red Cross, recruiting blood donors and setting up clubs for teenagers in inner Sydney. In 1948 he married Peggy and they had three children. In 1954, Les Johnson became proprietor of the local general store and newsagency and experienced firsthand the challenges of small business. In 1953, he was elected to the Sutherland Shire Council and he held office until 1956. Then, in 1955 he was the successful Labor Party candidate for the newly created federal electorate of Hughes. Thus began a parliamentary career that would span almost three decades.

He was re-elected at the three subsequent elections and then defeated in a close contest in 1966 by Don Dobie. However, he successfully recontested Hughes in 1969 and retained the seat until his retirement from the House of Representatives in 1984. Les Johnson was appointed to the ministry in 1972 upon the election of the Whitlam government and given the portfolio of Housing. He subsequently held the portfolios of Works, Housing and Construction, and Aboriginal Affairs. As one of the ministers in the Whitlam government, Les Johnson therefore partook in one of the most dramatic chapters in Australian political history. With his passing, there remain only five of the 27 men sworn in as members of the Whitlam government on 19 December 1972.

Mr Johnson had a lifelong and strong interest in Indigenous affairs. He was President of the Aboriginal Children's Advancement Society from 1963 to 1972, parliamentary representative on the council of the Australian Institute of Aboriginal Studies from 1976 to 1977, and he helped establish and operate the Kirinari hostels, which provided accommodation for Aboriginal boys attending high school. He was Opposition Whip from 1977 to 1983. When he was Opposition Whip he suggested that the term 'whip'—which, of course, has an English origin—should be replaced with a more Australian title. His proffered suggestions of 'boundary rider' and 'jackaroo' were not taken up.

On the election of the Hawke government, in 1983, Les Johnson chose not to stand for the caucus elections to the ministry. He was instead elected by the House as the Deputy Speaker and Chairman of Committees and served in that office with distinction throughout the first term of the Hawke government. In the 1984 election he retired from the House and was appointed the Australian high commissioner in Wellington. Sadly, his time in New Zealand was cut short by family illness and he and his wife chose to return to Australia in 1987. He became chairman of the Australia New Zealand Foundation in 1989 and held that post for
eight years. In 1990 he was appointed as a Member of the Order of Australia for parliamentary and public service and, in particular, for service to the Aboriginal community, and he was awarded the Centenary Medal in 2001.

With the death of Malcolm Fraser, earlier this year, Les Johnson was the last of those elected to the House of Representatives in 1955 to have survived. The Honourable Les Johnson's career was one dedicated to community and public service. Sadly, his daughter Sally died shortly after the family's return from New Zealand and his wife of many years, Peggy, herself died in 2002. Les remarried, to Marion, and so to her, his surviving children, Grant and Jenny, and their families, on behalf with the government, I offer our most sincere sympathies today.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (15:38): I rise on behalf of the opposition to speak on this motion of condolence on the passing of the Honourable Leslie Royston Johnson AM. The loss of Les Johnson is a sad one and I convey, at the outset, our thoughts for his family at this time. Of course, Mr Johnson was also part of the Labor family and there are many associated with our movement who feel his passing especially keenly.

Originally a fitter and turner and an engineer, Les Johnson served as a shop steward with the Amalgamated Engineering Union and became an organiser with the Federated Clerks Union and a councillor on the Sutherland Shire Council before being elected to the House of Representatives as the inaugural member for Hughes in 1955. He had also been a proprietor of a general store and worked for the Red Cross recruiting blood donors and establishing clubs for teenagers in the inner suburbs of Sydney—all of this before the age of 30! On his election he was the youngest member of the House of Representatives at that time and—as the acting leader of the government has noted—he was the last surviving member of the 'class of 1955' following the passing of former Prime Minister Malcolm Fraser earlier this year.

The 1955 federal election was not a happy one for the Australian Labor Party, with the party losing a net 10 seats in the second election we contested with 'Doc' Evatt as leader. The swing against Labor was nearly five per cent and Johnson found himself in parliament at a time when the Prime Minister, Robert Menzies, was at the height of his powers. With a government majority of 28 in the House of Representatives, it was a depressing time to be on the opposition benches. Further, it was a time when the split within Labor was taking its full effect. Not only did Les Johnson suffer the miserable years of opposition but also he further suffered the despair of defeat in the 1966 election, when the Labor primary vote fell to less than 40 per cent under Arthur Calwell and he lost his seat.

In an election dominated by the Vietnam War, which at that time was still widely supported amongst the Australian population, Johnson did not compromise his strong anti-war principles. As someone who had witnessed the British nuclear tests at Maralinga, in my home state of South Australia—without protective clothing—as well as having visited Vietnam during the early years of the conflict he was well-placed to offer a critique of the 'barrage of death and destruction' and 'dreadful carnage'—using his words—that he regarded the war to be.

Fortunately, he was re-elected in 1969 following a seven per cent swing towards Labor, under the leadership of Gough Whitlam who occupied the nearby seat of Werriwa in Sydney's south-west. Many of Whitlam's policies resonated not just with Johnson's electors but also
with Johnson himself. He would go on to play a pivotal role in implementing Labor's nation-building agenda and its policies of reconciliation with our first Australians following the election of the Whitlam government in 1972. He served as Minister for Housing, Minister for Works, Minister for Housing and Construction and also as Minister for Aboriginal Affairs. He worked alongside—and occasionally in conflict with—the Minister for Urban and Regional Development, another of our recently departed, the late Tom Uren.

Just as housing policy is a topical matter of discussion today, so too it was then. In his first speech, Johnson spoke of the difficulties that faced young couples looking to enter the housing market and, as minister, he pursued policies aimed at making 'dream homes' come true. In an article in early 1973 he spoke of beginning with the belief that the biggest social injustice in Australia is the economic barrier to housing. He wanted 'to get the right kind of people into the right kinds of houses in the right kind of environment at the lowest possible cost.'

As with housing, as Minister for Aboriginal Affairs Leslie Johnson was fulfilling the interests and pursuits he had been engaged in earlier in his political career. He had been president of the Aboriginal Children's Advancement Society from 1963 to 1972, raising funds for Aboriginal peoples in the process, and would be present when Gough Whitlam poured sand into the hands of Vincent Lingiari in 1975. Sadly, of course, like so many other talented and committed individuals, his service was cut short following the dismissal of the Whitlam government.

Back in opposition, after that time, he served as Opposition Whip and following the election of the Hawke government, in 1983, was Deputy Speaker and Chairman of Committees before leaving parliament the following year. The Acting Leader of the Government in the Senate has referenced Les Johnson's interesting suggestions that the title of whip be replaced by boundary rider or jackaroo—in many ways proving that the Whitlam government ministers did not lose their reforming zeal after losing office.

Having been the youngest member of parliament, when he arrived in this place in 1955, he was the 'father of the House' when he left the parliament. His place as member for Hughes was taken by Robert Tickner, who would himself become Minister for Aboriginal Affairs, in the Hawke and Keating governments, and is now—in another link with Johnson—the chief executive of the Australian Red Cross.

Les Johnson continued to serve Australia, notably as High Commissioner to New Zealand from 1984 to 1987, and then as chair of the Australia New Zealand Foundation from 1989 to 1997. Labor mourns the passing of Les Johnson, a great contributor to our nation, and we again extend our sympathies to his wife, family and friends.

**Senator SCULLION** (Northern Territory—Minister for Indigenous Affairs and Leader of the Nationals in the Senate) (15:44): I stand to associate The Nationals with this condolence motion for the Honourable Les Johnson, AM, a devoted champion of the Left. Born in 1924, Johnson was the last of the 1955 cohort who entered federal parliament. He was the father of the House when we left in 1983. Another Whitlam minister, at one time Minister for Aboriginal Affairs, is being farewelled. He said to Malcolm Fraser not very long ago: 'We're an endangered species.' Malcolm Fraser was another one of the 1955 group. Approaching 60 myself, and born a year later, it is unsurprising.
Les Johnson was with Gough Whitlam when he poured soil through the hands of Vincent Lingiari, symbolising the handing back of land to the Gurindji people, in 1975. This was not only one of the most defining images that, I think, we all remember about Gough's prime ministership but a defining moment of when, if we look back and see, the return of lands and the respect of the connection between lands and Aboriginal people actually started. He was at the British bomb testing at Maralinga—and, as we have just heard, without protective clothing. He visited Vietnam during that war, always railing against the United States.

I think it was Les Johnson's unique background that explains his particular drive for politics. His father died when young Les was only six. Four brothers and sisters grew vegetables for sale during the Depression. He left school at 14 to earn money to help keep the family. It was a tough life, but Les got a rare education through the local gospel hall in the Sydney Domain, where he saw the speakers and joined in himself. A boy preacher on the streets of Sydney, it was all about words and ideas and performance. On the practical side, Les was apprentice to a fitter and joiner, and signed up for the ALP when he was just 15. He went to technical college at night, but it did not take him long to become a shop steward for the Amalgamated Engineering Union. He continued his interest in words by buying a book on the art of debating and writing poetry. It must have been obvious that here was a young man who was going to make his mark.

During the war he became a man of the house when his two older brothers went off to war. There was a lot of responsibility on his young shoulders, including with being the local air raid warden for Enfield. His Labor Left moulding continued with time with the Eureka Youth League and as an organiser with The Federated Clerks Union of Australia. No doubt wanting to put his beliefs into action, and move from words to something more tangible, Johnson went to work with the Red Cross, recruiting blood donors and setting up clubs for teenagers in the inner Sydney suburbs. He showed a passion for his local area through all his life—the Sutherland Shire was the hub. He established a Council for Social Services and chaired the Gymea Progress Association. Johnson was also a president of the Aboriginal Children's Advancement Society and set up the Gymea branch of the ALP. He was involved with local government in the Sutherland Shire and ran the local general store.

In 1955, Johnson contested the preselection for Labor in the new set of Hughes. There was a wide range of contestants—a field of 11. He came up through the middle. It was an amazing achievement at a young age with a poor background. They bank actually would not lend him money for a house, so he built it itself. This perhaps accounts for his passion for public housing, with a future that was going to enable him to do something about. He was never challenged for his Labor candidacy for Hughes, which he represented from 1955 to 1983—accept for the 1966 Vietnam election, when Labor's vote collapsed. He, meanwhile, worked for a chief of staff for Lionel Murphy and ramped up local support. He won the next election, in 1969, with 61 per cent of the primary vote. From here, high offices awaited the former boy preacher. Following Labor's win in the 1972 election, he was appointed to the Whitlam ministry as Minister for Housing. In October 1973, he was appointed to the additional portfolio of works. These portfolios fitted in with his great enthusiasm for public housing. Record levels were built in 1973 and 1974.

In 1975, Johnson became the Minister for Aboriginal Affairs at the time of the birth of land rights, led by Gough Whitlam. In June of 1975 the racial discrimination bill was enacted,
outlawing discrimination on the grounds of race, enabling Australia to ratify the international Convention on the Elimination of All Forms of Racial Discrimination. I understand that there is, in fact, a motion on the books today. We should recall that the genesis was, in fact, with Mr Johnson. The 1972 Woodward Royal Commission into land rights of the Northern Territory ultimately led to Aboriginal Land Rights (Northern Territory) Act 1976 and, from there, to successful claims all over Australia, and to the eventual overturning of the concept of terra nullius, in the Mabo case, in 1992. The Whitlam legacy of the way we engage with Indigenous Australians today is an integral part of political life. This was a new political climate that Les Johnson was part of.

Johnson used his superb local organising skills to keep his seat in the 1975 and 1977 elections, which kept Labor in opposition. He became Chief Opposition Whip. When Hawke came to power in 1983, Johnson became the Deputy Speaker, not wanting to take a ministry. On his retirement, in December 1983, he was appointed as Australian High Commissioner to New Zealand—an awful long way from preaching on street corners. The Nationals send our condolences to Les Johnson's wife and family. They should be very proud of his achievements.

Question agreed to, honourable senators standing in their places.

NOTICES

Presentation

Senators Rice, Lambie and Cameron to move:


Senator O'Sullivan to move:

That the Senate—

(a) recognises and applauds the work of the Federal Government's community consultation process in delivering clear and practical country of origin labelling rules; and

(b) further recognises that Australian produce and food processing is of world class standard, and that these labelling rules are an important step in making it easier for consumers to identify locally grown and processed food.

Senator Fifield to move:

That consideration of the business before the Senate on Tuesday, 11 August 2015 be interrupted at approximately 5 pm, but not so as to interrupt a senator speaking, to enable Senator Lindgren to make her first speech without any question before the chair.

Senator Fawcett to move:

That the Joint Standing Committee on Treaties be authorised to hold private meetings otherwise than in accordance with standing order 33(1), followed by public meetings, during the sittings of the Senate, as follows:

(a) Monday, 10 August 2015;
(b) Monday, 17 August 2015;
(c) Monday, 7 September 2015;
(d) Monday, 14 September 2015;
(e) Monday, 12 October 2015;
(f) Monday, 9 November 2015;
(g) Monday, 23 November 2015; and
(h) Monday, 30 November 2015.

Senator Ludlam to move:

That the Senate—

(a) notes that:

(i) the United States (US) Court of Appeals ruled in May 2015 that the bulk collection of telecommunications metadata by US Government agencies was unlawful, and

(ii) this case was filed following revelations by Mr Edward Snowden disclosing the scope of US Government surveillance programs; and

(b) recognises:

(i) the critical work that Mr Snowden has carried out in exposing unlawful surveillance programs in the US and its 'Five Eyes' allies, and

(ii) that Australians and the global community have legitimate and ongoing concerns about the erosion of privacy caused by the unchecked growth of government electronic surveillance programs.

Senator Collins to move:

That the following matter be referred to the Legal and Constitutional Affairs References Committee for inquiry and report by 25 June 2015.

The handling of a letter sent by Mr Man Haron Monis to the Attorney-General dated 7 October 2014, and the evidence provided during the Budget estimates, including the subsequent correction of that evidence, with particular reference to:

(a) the details of the internal inquiry conducted by the Secretary of the Attorney-General's Department, Mr Chris Moraitis, following the discovery that incorrect evidence had been provided and any subsequent changes made to administrative practices between the department and the Attorney-General's office;

(b) the consideration given by the Joint Commonwealth and New South Wales review team to the correspondence sent by Mr Monis to various members of Parliament and other relevant documents and the basis for the assertion by Mr Thawley that the correspondence would make no difference to the findings of the review; and

(c) what, if any, changes were made to procedures for the handling of incoming correspondence to the Attorney-General's Department and the Attorney-General's Office following the raising of the national terrorism public alert level to 'High' on 12 September 2014.

Senators Collins and Ludlam to move:

That the following matters be referred to the Legal and Constitutional Affairs References Committee for inquiry and report by 15 September 2015:

(a) the impact of the 2014 and 2015 Commonwealth Budget decisions on the Arts; and

(b) the suitability and appropriateness of the establishment of a National Programme for Excellence in the Arts, to be administered by the Ministry for the Arts, with particular reference to:

(i) the effect on funding arrangements for:

(A) small to medium arts organisations,

(B) individual artists,

(C) young and emerging artists,
(D) the Australia Council,
(E) private sector funding of the arts, and
(F) state and territory programs of support to the arts,
(ii) protection of freedom of artistic expression and prevention of political influence,
(iii) access to a diversity of quality arts and cultural experiences,
(iv) the funding criteria and implementation processes to be applied to the program,
(v) implications of any duplication of administration and resourcing, and
(vi) any related matter.

Senator Hanson-Young to move:
That—
(a) there be laid on the table by the Assistant Minister for Immigration and Border Protection, by 3 pm on 17 June 2015, all documents containing information pertaining to:
(i) any money paid to anyone on board a vessel en route to Australia or New Zealand by any Customs, Immigration, Australian Secret Intelligence Service (ASIS) or other Commonwealth officer from September 2013 to date, and
(ii) the facilitation or authorisation of the payment of any money to anyone on board a vessel en route to Australia or New Zealand by any Customs, Immigration, ASIS or other Commonwealth officer from September 2013 to date, and
in relation to any such payment, a document containing information pertaining to the details of the interception of the vessel, the amount of money paid, to whom and for what purpose; and
(b) there be laid on the table by the Assistant Minister for Immigration and Border Protection, by 3 pm on 17 June 2015, any documents produced by the Office of the Minister for Immigration and Border Protection, the Department of Immigration and Border Protection, ASIS or the Australian Customs and Border Protection Service regarding:
(i) the interception of a vessel en route to Australia or New Zealand in May 2015,
(ii) any orders to turn back or take back that vessel, its passengers or crew, and
(iii) any payments made to the vessel's captain, crew or passengers.

Senator Wright to move:
That the Senate—
(a) commiserates with the 440 workers who will lose their jobs at the Leigh Creek coal mine and Port Augusta coal-fired power stations, which are flagged for closure by 2018;
(b) recognises the outstanding leadership of the Repower Port Augusta Alliance and the Port Augusta City Council in working with the community to advocate for solar thermal to replace the outdated coal power stations;
(c) acknowledges solar thermal presents great employment opportunities, as well as economic, health and environmental benefits for the Port Augusta community; and
(d) calls on the Federal and South Australian governments to assist the Port Augusta community in transitioning to a clean energy future, providing jobs and security for the region.

Senator Wong to move:
That the Senate—
(a) notes that:
(i) the Government's plans to abolish the Australian Charities and Not-for-profits Commission are creating uncertainty in the charities sector and leading to high staff turnover within the Commission, and

(ii) the Minister for Social Services (Mr Morrison) has admitted he has no immediate plans to progress the legislation to give effect to the abolition of the Commission; and

(b) calls on the Government to withdraw the Australian Charities and Not-for-profits Commission (Repeal) (No. 1) Bill 2014 to provide certainty to Australia's charities.

Senator Waters to move:


BUSINESS

Leave of Absence

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (15:51): by leave—I move:

That leave of absence be granted to Senator Abetz from 15 June to 18 June 2015 for personal reasons.

Question agreed to.

Rearrangement

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (15:51): I move:

That general business order of the day no. 63, (Freedom of Information Amendment (Requests and Reasons) Bill 2015), be considered on Thursday, 18 June 2015 under the temporary order relating to the consideration of private senators' bills.

Question agreed to.

Leave of Absence

Senator McEWEN (South Australia—Opposition Whip in the Senate) (15:52): by leave—I move:

That leave of absence be granted to Senator Peris for today, for personal reasons.

Question agreed to.

NOTICES

Postponement

Business was postponed as follows:

Business of the Senate notice of motion no. 1 standing in the name of Senator Leyonhjelm for today, proposing the disallowance of the Amendment to List of CITES Species, Declaration of a stricter domestic measure, postponed till 12 August 2015.

Business of the Senate notice of motion no. 2 standing in the name of Senator Rice for today, proposing a reference to the Education and Employment References Committee, postponed till 18 August 2015.

General business notice of motion no. 674 standing in the names of Senators Rice and Rhiannon for 16 June 2015, proposing the introduction of the Automotive Transformation Scheme Amendment (Sustainable Jobs in the Auto Component Industry) Bill 2015, postponed till 17 August 2015.
COMMITTEES

Reporting Date

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

Community Affairs Legislation Committee—
Social Services Legislation Amendment (Fair and Sustainable Pensions) Bill 2015 [Provisions], extended to 22 June 2015.
Social Services Legislation Amendment (Youth Employment and Other Measures) Bill 2015 [Provisions], extended to 11 August 2015.

Economics Legislation Committee—

Economics References Committee—
Australia's innovation system, extended to 15 October 2015.
Corporate tax avoidance, extended to 13 August 2015.

Finance and Public Administration Legislation Committee—
Department of Parliamentary Services, extended to 17 September 2015.

Finance and Public Administration References Committee—
Violence against women, extended to 20 August 2015.

Foreign Affairs, Defence and Trade Legislation Committee—
International Aid (Promoting Gender Equality) Bill 2015, extended to 17 August 2015.

Foreign Affairs, Defence and Trade References Committee—

Legal and Constitutional Affairs Legislation Committee—

The DEPUTY PRESIDENT (15:53): I remind senators that the question may be put on any proposal at the request of any senator. Are there any such requests? There being none, I give the call to Senator McEwen.

Select Committee on the Regional Processing Centre in Nauru

Reporting Date

Senator McEWEN (South Australia—Opposition Whip in the Senate) (15:53): by leave—at the request of Senator Gallacher, I move:
That the time for the presentation of the report of the Select Committee on the Recent Allegations Relating to Conditions and Circumstances at the Regional Processing Centre at Nauru be extended to 31 July 2015.

Question agreed to.
BUSINESS

Rearrangement

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (15:54): I move:

That consideration of the business before the Senate on Wednesday, 24 June 2015, be interrupted at approximately 5 pm, but not so as to interrupt a senator speaking, to enable Senator McAllister to make her first speech without any question before the chair.

Question agreed to.

MOTIONS

Magna Carta: 800th Anniversary

Senator SMITH (Western Australia) (15:55): I, and also on behalf of Senators Bullock, Wright, Day and Bernardi, move:

That the Senate—
(a) notes that:
(i) 15 June 2015 is the 800th anniversary of the sealing of the Magna Carta by King John of England, and
(ii) the enduring legacy of the Magna Carta has been its statement of basic rights and liberties of people under law; and
(b) affirms the Magna Carta's place as a foundation stone of the rule of law in Australia and its constitutional legacy for democratic societies around the world.

Question agreed to.

Senator WRIGHT (South Australia) (15:55): I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator WRIGHT: Today on the 800th anniversary of the Magna Carta, it still stands as a powerful symbol for the rule of law and against the arbitrary use of power. Most importantly, the Magna Carta affirmed that no-one was above the law so that all authorities—even despotic kings—were subject to and beneath the law. It also prohibited the arbitrary and illegal detention of people. How alarming it is, then, to have witnessed how often this parliament has passed legislation that undermines these very principles in recent years. On this significant anniversary, we should recommit to defending the tenor of the Magna Carta not only in principle but in practice, as we consider the laws that we make here.

Forestry

Senator O'SULLIVAN (Queensland—Nationals Whip in the Senate) (15:56): I, and also on behalf of Senator Muir, move:

That the Senate—
(a) acknowledges the valuable contribution of the sustainable forest industry to Australia's economy as the industry generates over $20 billion of economic turnover each year and employs over 70 000 people;
(b) recognises the important work conducted by the Forest and Forest Industry Market Development Mission to Japan and China to promote Australia's sustainable forest industry as the sustainable building material of the 21st century; and
(c) condemns the misinformation spread by radical environmental non governmental organisations that has resulted in sustainable Australian product being replaced by timber from less sustainable forests damaging our economy, employment and the environment.

Senator MOORE (Queensland) (15:56): I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator MOORE: The Labor Party will start to take the government senators' motions seriously when they stop putting up politically motivated motions seeking to divide the industry. The first act of the Abbott government when it took office was to remove forestry from the name of the agricultural portfolio; and the second was to exclude it from the government's agricultural competitiveness white paper.

Some 18 months after the Abbott government took office, the parliamentary secretary unveiled in March this year that the government would undertake an issues paper to feed into a discussion paper which then may feed into a longer-term policy development.

The forestry industry is seeking certainty and genuine longer-term policy development, not politically motivated motions. Therefore Labor will not be supporting this motion on the grounds that it is seeking to further divide the industry rather than providing a constructive platform from which to have a robust discussion about the future of our forestry industry.

The DEPUTY PRESIDENT: The question is that the motion moved by Senator O'Sullivan, and also on behalf of Senator Muir, be agreed to.

The Senate divided. [16:02]

(The Deputy President—Senator Marshall)

Ayes ...................... 34
Noes ...................... 30
Majority ............... 4

AYES

Back, CJ
Birmingham, SJ
Canavan, M.J.
Day, R.J.
Fawcett, DJ
Fifield, MP
Johnston, D
Leyonhjelm, DE
Macdonald, ID
McGrath, J
Muir, R
O'Sullivan, B
Reynolds, L
Ruston, A
Scullion, NG
Simondos, A
Wang, Z

Bernardi, C
Bushby, DC (teller)
Colbeck, R
Edwards, S
Ferraranti-Wells, C
Heffernan, W
Lambie, J
Lindgren, JM
Macigan, JJ
McKenzie, B
Nash, F
Payne, MA
Ronaldson, M
Ryan, SM
Seselja, Z
Smith, D
Williams, JR

NOES

Bilyk, CL
Brown, CL

CHAMBER
MATTERS OF PUBLIC IMPORTANCE

Racial Discrimination Act 1975

The DEPUTY PRESIDENT (16:04): A letter has been received from Senator Moore:

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


Is the proposal supported?

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

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

Senator WONG (South Australia—Leader of the Opposition in the Senate) (16:05):

Speaking about the Racial Discrimination Act in 1975, Prime Minister Gough Whitlam said:

The main sufferers in Australian society—the main victims of social deprivation and restricted opportunity—have been the oldest Australians on the one hand and the newest Australians on the other. We stand in their debt. By this Act we shall be doing our best to redress past injustice and build a more just and tolerant future.

Gough Whitlam's words are just as relevant today as they were 40 years ago.

The Racial Discrimination Act was given assent on 11 June 1975. It was then, and remains today, a landmark piece of legislation. The act prohibits racial discrimination in our nation. It
makes it unlawful to discriminate against people based on their race, colour, descent or national or ethnic origin. It makes it unlawful to impair any person's human rights or freedoms in the political, economic, social or cultural spheres, or in other fields of public life. It prohibits acts of racial vilification in public, including through the media, and it provides legal remedies against acts of discrimination.

The Racial Discrimination Act implemented the obligations which Australia took on when we ratified the International Convention on the Elimination of All Forms of Racial Discrimination. It paved the way for many significant milestones in contemporary Australian history. The validity of the act was challenged by Queensland's Bjelke-Petersen government, leading to the High Court's Koowarta decision affirming the Commonwealth's external affairs power—an important and far-reaching decision in Australian constitutional law. The Racial Discrimination Act has played a significant role in ensuring the native title rights of Australia's indigenous people were recognised—more than 200 years after Europeans arrived on this land.

In 1982 Eddie Mabo and fellow representatives of the Meriam people commenced legal proceedings against the Queensland and Commonwealth governments. They sought declarations that they held traditional native title over the lands and waters of the Murray Islands, in the Torres Strait. The Bjelke-Petersen government responded in 1985 by passing the Queensland Coast Islands Declaratory Act, a piece of legislation that retrospectively extinguished native title rights without compensation. The High Court then held that this piece of legislation was invalid, because it was inconsistent with the Racial Discrimination Act. That decision, in the Mabo No. 1 case, opened the way for the High Court's ruling in Mabo No. 2 that:

…the Meriam people are entitled as against the whole world to possession, occupation, use and enjoyment of the lands of the Murray Islands.

It was a ruling that overturned the legal doctrine that Australia was terra nullius—an empty land—when the British arrived. It was a decision that led to the recognition of native title in Australia, and it would not have happened but for the Racial Discrimination Act. The year after that landmark decision, the Keating government's Native Title Act was passed in this parliament. It is an example of how fundamental reforms work their transformative effects on society. It is an example of how progressive reforms can build on one another, and how tackling injustice in one area extends the remit of justice into new spheres.

But it is important to remember that this act has not only contributed to historic breakthroughs like Mabo and the native title legislation—the big news stories that have been in our headlines in years gone past. Every day of the week, in every community around this country, this legislation protects ordinary people from the poison of prejudice, bigotry and discrimination. Last week Australia's Race Discrimination Commissioner, Tim Soutphommasane, launched the book I'm Not Racist But … 40 years of the Racial Discrimination Act. In the book, he gives three examples of discrimination:

A man of Sri Lankan background works at a warehouse but finds other employees of Anglo-Celtic background receiving better hours and pay rises; his co-workers frequently subject him to derogatory racial comments and harassment.

Second:
An aboriginal man makes arrangements to rent a room in a boarding house but is told by the caretaker when he arrives: 'We don't take anyone who is aboriginal because there have been problems in the past. This is management policy.

Third:

A woman of Asian background comes across an anti-immigration website on the internet: using inflammatory language involving racial epithets, it encourages people to abuse and attack Asians they encounter on the street.

As Commissioner Soutphommasane explains, these examples are drawn from actual complaints made under the Racial Discrimination Act. They are real life examples of what still does happen in Australia. In each case, the act provided a remedy: damages for the abused worker; an apology and compensation for the Aboriginal boarder; and the taking down of the abusive anti-Asian website.

There are some, including some in this place, who have tried to argue that the Racial Discrimination Act is some kind of gag on people simply expressing their opinions. I suspect that is the view of those who almost certainly have never experienced racial prejudice or discrimination. Speaking 20 years ago, on the 20th anniversary of the Racial Discrimination Act, Prime Minister Paul Keating made that point eloquently:

Legislation like this does not spring from any utopian vision of society or human nature. It springs from recognition of the less than perfect reality. And it doesn't spring from a wish to punish the perpetrators of racism, but from a desire to protect its victims.

I think that this is the essential point: we come to understand the necessity for this kind of legislation when we put ourselves in the position of the victims of racial discrimination or vilification or worse. I would ask members and senators of this parliament to heed those words: put yourself in the position of the victims of racial discrimination or vilification, or worse.

The symbolic message sent by the Racial Discrimination Act goes well beyond words in legislation. This act sent a message to Australian society that our parliament believes that discrimination on the basis of someone's race, colour or national or ethnic origin is unacceptable. It shows any Australian who experiences racial vilification or discrimination that we stand beside you. We understand the pain that you, or your children or your grandchildren experience when you are victimised simply because of the colour of your skin or because of your ethnic origin.

In large part, the history of this act has been characterised by a measure of bipartisanship between the main political parties. In large part, that is its history. In large part, this act has a bipartisan history. It is a shame that in the past few years we have seen a break from that shared acknowledgement in this place of the importance of the Racial Discrimination Act.

We in this nation enjoy a remarkably tolerant, democratic and multicultural nation. We have chosen, over our history, to give collective expression to the values that underpin that tolerant, democratic and multicultural nation. The achievement of that fact is not by accident; it is because we have seen community leaders collectively articulate values consistent with this. We have given collective expression to these values in many ways, and I say to this place that the Racial Discrimination Act is one of these. It is a collective expression of our Australian values, a collective expression that Australians ought not be discriminated against on the basis of their race, and it is our collective agreement that we will, together, stand against bigotry and prejudice. For 40 years this act has been part of our collective expression
of these important Australian values. I look forward to many more anniversaries of this act into the future.

Senator BACK (Western Australia) (16:14): It is significant that on the same day that we came together at the reception this morning in the Great Hall in this place to celebrate the 800th anniversary of the Magna Carta—the 'great charter'—we are here today to discuss and to recognise the Racial Discrimination Act 40 years on. I would like to associate myself with many of the comments made by Senator Wong in opening this debate. One of the absolutely fundamental pillars of the Magna Carta which has survived through the 800 years to today is the fact that—then—no man; I will say, no person, is above the law. The Racial Discrimination Act is a most interesting piece of legislation, which draws attention to that precept of Magna Carta from so many years ago.

It was on 13 February 1975 that the then attorney-general in the Whitlam government, the late Kep Enderby, introduced the Racial Discrimination Bill to the House of Representatives. It was passed in June 1975, received its royal assent on 11 June that year, and came into force on 31 October—so it is appropriate that we are recognising this on 15 June, the first sitting day following the fortieth anniversary of its assent on 11 June 1975. Acting Deputy President, what does the act prescribe against? It is against the law to discriminate in areas including employment, and when seeking employment—and we heard an example given by Senator Wong of the Sri Lankan gentleman. It is against the law to discriminate, for example, in land, housing or accommodation, when buying or renting. It is against the law to discriminate in the provision of goods and services when buying an article or a service, applying for credit, or using banking services; when seeking assistance from government departments, from legal services or from doctors in hospitals; or when attending recreational or catering facilities such as restaurants, hotels or entertainment venues. The act prohibits discrimination in access to places and facilities for use by the public—parks, libraries, government offices, et cetera—and I want to come back to that in the context of our country contrasting with another. In advertising for a job, stating that people from certain ethnic groups cannot apply for a job or join a trade union, and certain other offensive behaviour, will be found to be discriminatory, if it is likely to 'offend, insult, humiliate, or intimidate'. That is an area that has been the subject of debate in this place and no doubt will go on to be further debated in the future.

It is interesting that the act does require certain behaviours by people. But the way that it has been framed in the first instance is not about punishing racism but about protecting people against prejudice—that is, that conciliation rather than coercion be the overriding principle. It is also interesting that, in the 40 years that the act has been in operation, and with more than 6,000 complaints having been resolved, as of last year only three per cent were required to be finalised in the Human Rights Commission. As we all know—and as was alluded to by the previous speaker—in the time that has elapsed since 1975, the states and territories around this country have themselves enacted anti-discrimination legislation. Here in the Commonwealth, we have extended the legislative framework to include sex discrimination, disability discrimination, and discrimination based on age—all of which are critically important.

I mention Australia's situation with regard to discrimination and I contrast it with that of my experience residing in the United States of America, where discrimination across state boundaries and between different states in the United States is there for everyone to see. I
particularly refer to African Americans. My experience teaching at the University of California was that African Americans were evident in the university system as undergraduates, as graduate students and as academics, who would certainly have been housed in the same housing with equivalent levels of wealth and with equivalent levels of access to society—and then I drove from California to Lexington, Kentucky, where I had the opportunity as an academic visiting that great university for three months, and I saw the absolutely radical difference in the approach of the wider community to African Americans in that location, and I saw also that African Americans themselves in their own attitudes were absolutely profound in their difference. Then we look at Hurricane Katrina in New Orleans and—for those people who have visited that city and have become aware of the problems that have occurred as a result of discrimination, I can only say this: in what we have observed in Australia in contrast to the United States, how different has been the story. I would like to draw on the comments of our Governor-General, Sir Peter Cosgrove, when he was marking the anniversary on 19 February this year—and he is speaking here of those who put together the Racial Discrimination Act in the first place. He said:

Its authors, advocates and early administrators foresaw its critical role in guiding a maturing nation. They were among the pioneers of Australian human rights law for whom we can be forever grateful for their unapologetic insistence on the formal recognition of dignity, respect, equality and freedom as fundamental human liberties.

He went on to make the point that this is not a static process. It is an emerging and evolving process. He makes the point that those with responsibility in this area must have the ability to intelligently read and respond to changes in Australian society and to the attitudes of those of us who make up Australian society.

In the Governor-General's presentation that day, he referred to the statement of Martin Luther King:

… it may be true that morality cannot be legislated, but behavior can be regulated … the law may not change the heart, but it can restrain the heartless.

I think it is a fantastic circumstance that in this country we do have legislation which, of course, commits us to freedom, which enables us to enjoy freedom of speech, freedom of religion and the other traditional rights and liberties that we have all come to expect. In this country we want to reserve the right to speak our mind. But of course, at the same time, we must beware of our responsibilities. There is no place for racism among any in the Australian community. We recognise in this country that to enjoy all of our rights and freedoms people must be able to do so free from discrimination, and that our policies are designed to secure these objectives.

In the few minutes left, I want to draw the attention of the chamber to a term that we use very widely, and that is the term 'bigot'. Indeed, I wonder whether all of us who use it and throw it around have an understanding of the definition of a bigot. It is simply a person who is utterly intolerant of any differing creed, belief or opinion; a person whose intolerance is devoted towards the opinions and prejudices of somebody else. I make that point because, if you were to take some of the robust discussion and the differences across this chamber at different times, a person looking in from the outside might accuse us of being guilty of the same.
Senator WRIGHT (South Australia) (16:24): I rise to contribute to this motion on the 40th anniversary of the enactment of the Racial Discrimination Act in June 1975. The enactment of the Racial Discrimination Act was a critical turning point in Australia's history because of the role it played in signposting Australia's commitment to protecting and promoting what were internationally recognised and universal human rights. The Racial Discrimination Act was the first time that Australia had directly incorporated the language of an international human rights treaty into our domestic law. This was then upheld by the seminal High Court Koowarta case, which confirmed that the Commonwealth has external affairs powers that can be in the Constitution that can be used to implement our international obligations in domestic legislation. That decision then paved the way for other seminal legislation to protect against discrimination on other grounds such as gender, disability or age. Without those developments, it is unlikely that we would then have had the other nation-defining High Court decisions such as the Tasmanian dams case or the Mabo case.

It is true to say that the Racial Discrimination Act did not have an easy birth. There were strong debates about whether Australia needed laws to protect against racism, even arguments that suggested that if racism existed in Australia it should be valued as a type of character-building experience for minorities. But pass it did, and now, here, 40 years on, the Racial Discrimination Act still raises controversy and strong opinions, as we have seen in relation to attempts to remove or amend provisions such as section 18C. The principles of equality, fairness and respect for human rights embodied in the Racial Discrimination Act still require vigilant defence and protection. So, along with many others around Australia, I have strongly defended the current version of section 18C. I have been motivated by the many Australians who have shared with me their very personal stories of racial abuse and discrimination, sometimes obvious, sometimes subtle, but often devastating in its impacts, and not defensible. I have also been motivated by the many, many Australians who see section 18C as part of a broader legal and moral commitment to racial equality and respect that speaks about who we are and what we stand for as a people.

So it is that we must use these people and their voices to inspire us. The Greens will continue to speak out and amplify those voices in our parliament. In particular, we will remain vigilant defenders of the Racial Discrimination Act. We will be open to ways to improve its effectiveness, but we will always be guarding against any moves that would risk eroding the protections that it provides.

Senator SINGH (Tasmania) (16:28): I rise to contribute to this 40-year anniversary of the Racial Discrimination Act. Over the last 40 years, Labor has delivered a framework of human rights law that reflects Australia's rich and diverse multicultural society. Labor introduced the Racial Discrimination Act in 1975 to make discrimination on the basis of race unlawful. In the 1990s, Labor added to these protections by banning racially charged offensive, insulting, intimidating and humiliating speech that leads to racial hatred.

The Racial Discrimination Act 1975, also known as the RDA, was introduced by the Whitlam Labor government to make racial discrimination unlawful and to combat racial prejudice. The RDA makes it unlawful for anybody to discriminate against a person based on their race, colour, descent or national or ethnic origin. It also gives effect to Australia's international human rights obligations under the UN Convention on Elimination of All Forms of Racial Discrimination. In accordance with these obligations, all people are guaranteed
equality before the law without distinction as to race. It also provides that, regardless of ethnic
collection, people have a right to equal access to places and facilities, land, housing and
other accommodation, goods and services, trade union membership and opportunities to work
and find a job. The RDA also creates a process for mediation and conciliation of
discrimination complaints, a process that is now undertaken by the Australian Human Rights
Commission.

'Legislation has a vital role to play in the elimination of racial discrimination,' Labor's
Attorney-General Kep Enderby said to parliament in February 1975. As the 20th anniversary
of the Racial Discrimination Act approached, three major inquiries found serious gaps in the
protections provided by the law. The National Inquiry into Racist Violence, the Australian
Law Reform Commission report Multiculturalism and the law, and the Royal Commission
into Aboriginal Deaths in Custody all argued in favour of an extension of Australia's human
rights regime to explicitly protect the victims of extreme racism.

In 1992 the National Inquiry into Racist Violence found that, while state and territory
criminal law punishes the perpetrators of violence, it largely is inadequate to deal with
conduct that is a precondition of racial violence. That conduct includes racially charged
offensive speech. In response to these findings, Michael Lavarch, the Attorney-General in the
Keating Labor government, introduced the Racial Hatred Bill 1994, which added a new part
to the RDA. The new part IIA included a civil prohibition on racially motivated hate speech
and a variety of defences to protect free speech. 'Racial hatred provides a climate in which
people of a particular race or ethnic origin live in fear and in which discrimination can thrive,'
said our then Attorney-General, Michael Lavarch, in his speech to parliament in November
1994. Racism and bigotry, wherever expressed, are wrong. No-one has a right to be a bigot,
particularly if they hurt someone. A bigot restrained will never suffer more than a victim
shamed.

Last year, Senator Brandis seemed to accept that racially motivated attacks are part and
parcel of the 'intellectual freedom' Australians expect—despite there already being broad
exemptions under section 18D from current laws where people make infringing statements in
good faith. The Attorney-General consistently justified his belief by referring to the
unfortunate Andrew Bolt, found by the Federal Court to have made racist comments in bad
faith. Indeed, Mr Bolt knowingly published errors of fact and distortions of the truth. If he had
a sincere intellectual point to make, it would have avoided infringement of section 18C.

Unlike the current law, legislated by a Labor government, which protects views offered in
good faith, the government proposed to give a free pass to people who vilified ethnic and
racial groups, as long as they could link their comments to any 'political, social, cultural,
religious, artistic, academic or scientific matter'. That means comments in an online
newspaper or in a political or art blog making incendiary, racist comments. It would include a
sign threatening perhaps a Jewish group at a neo-Nazi rally against immigration. It remains
very difficult to imagine any conduct that falls outside these exemptions put forward by
Senator Brandis.

In August last year, Senator Brandis was told by the Prime Minister to backflip with pike
and abandon on that disgraceful plan that he had to water down the protections afforded by
section 18C. Sadly, this decision was not motivated by any overdue realisation that the
government had made the wrong judgement call on 18C. Rather, the point eventually came
where the Prime Minister could no longer ignore the enormous chorus of community anger about the government's plans, and what a large chorus it was. Australians from all walks of life joined together and walked together to oppose the government's racial discrimination changes—something so strong in our community that the government could not ignore it. People attended community forums to demonstrate their support for tolerance, social inclusion and multiculturalism and to affirm their opposition to bigotry and racism. They organised on Facebook, Twitter and other social media. They wrote and called their state and federal members of parliament. Australians marched in the streets to demonstrate their support for retaining protections against racist hate speech.

But, rather than listening to the voices of the Australian community and admitting that he made a wrong captain's call on 18C, the Prime Minister explained he was changing course simply because 18C had become a 'complication' for the government. And the Prime Minister did not rule out proceeding with plans to repeal 18C in the future, if the political environment were more favourable for him to do so. Australians, in the Senate and in the street, can and do use the avenues open to them to call out racism when they see it. We use the rules to defend what is good and to show that hatred and hate speech are out. We do not accept excuses that racially motivated vilification is an ordinary and acceptable part of living in our democracy. It is not.

I would like to commend the Race Discrimination Commissioner, Tim Soutphommasane, for his book, *I'm Not Racist But... 40 Years of the Racial Discrimination Act*. I also thank the other contributors to that book: Christos Tsiolkas, Alice Pung, Maxine Beneba Clarke, Bindi Cole Chocka and Benjamin Law.

To build a society where people of different racial and ethnic backgrounds feel able to fully participate and where people can live, work and play side by side, we need to defend our right to speak freely but fairly.

The Racial Discrimination Act is integral to this. We have a wonderful, multicultural nation thanks to the laws and instruments that permit such a nation to flourish. I think Senator Wong articulated it very well when she said that the Racial Discrimination Act:

...is a collective expression of our Australian values, a collective expression that Australian's ought not be discriminated against on the basis of their race, and it is our collective agreement that we will, together, stand against bigotry and prejudice.

I would like to commend all of those who, day in and day out, stamp out racism in our community and those leaders who also do so—especially Adam Goodes, the Sydney Swans player, who has been an inspiring ambassador for the Racism. It Stops with Me campaign. I would like to thank the AFL for its ongoing stance against racism and all those in the community who continue to support a strong Racial Discrimination Act.

**Senator SMITH** (Western Australia) (16:38): Today is indeed a very auspicious day. We are here this afternoon talking about the 40th anniversary of the Racial Discrimination Act. Some of us earlier today commemorated the 800th anniversary of Magna Carta. Time does not allow me to elaborate on the links between the Racial Discrimination Act and Magna Carta. In the last parliamentary sitting week, the President of the Senate was joined by the current Clerk of the Senate to launch the second edition of *Australia's Magna Carta*. It includes a chapter from the former and now late Clerk, Harry Evans, which is entitled 'Bad King John and the Australian Constitution'. Before turning to the importance of the motion
before us, I would like to quote a little from his chapter, where Mr Evans made the following suggestion:

I want to suggest that Magna Carta has a significance which is not dependent on its content. This is its contribution to the history of constitutionalism, and, in particular, to the development of the concept of a constitution.

In order to appreciate this significance, it is necessary to realise that many concepts and institutions of government which we now take for granted and which we regard as obvious developed extremely slowly over a long period and in very small accretions. Even the most simple ideas and institutions have been a long time in developing. It is also necessary to appreciate that there are very few really new ideas or institutions. The modern epoch has made very few original contributions to government.

They are very wise words, indeed, from the former Clerk of this place. Finally, he goes on to say:

So perhaps after all we may gaze upon our copy of Magna Carta with some awe and reverence, not because of its content or for its legal significance but for the contribution it made to the development of the written constitution and the concept of rights of the citizen. In a sense, all written constitutions, including our own, and all declarations of rights, are its descendants. Remembering that, and other aspects to which I have referred, may help us a little on our way into another century.

It is particularly important to think that a document that originated 800 years ago is the origin of the democratic institutions that we in this nation enjoy and others in other nations enjoy as well.

There is an important point that is worth observing in the context of this debate on the 40th anniversary of the Racial Discrimination Act. For the most part, the contribution of other senators this afternoon has been a very worthy one and, for the most part, I add my sentiments to their sentiments. Fortieth birthdays are significant milestones and I would argue that those of us who have turned 40—I do not want to be rude, Mr President, but I cannot see anyone who would not be 40—would almost certainly have used the occasion as an opportunity to reflect and make an assessment about those four decades. If we are honest with ourselves in looking back, we do make assessments about those things that have gone well and those things that could have gone better. In my view, that should be no different for legislation.

In marking the 40th anniversary of the passage of the Racial Discrimination Act 1975 there is, indeed, very much to be proud of. Multiculturalism—I often wonder why it is not called ‘cultural pluralism’—did not begin with Gough Whitlam, as much as some in this place would like to believe that to be the case.

The passage of the legislation in 1975 represented an important milestone in Australia’s evolution and in our transition to becoming a more multicultural society. Likewise, racial tolerance did not simply come into being with the passage of the Racial Discrimination Act. What the legislation did, however, do was crystallise values of tolerance that were already alive in the Australian community. In effect, in passing the legislation, the parliament was giving formal notice of the Australian community’s desire to be an open and racially tolerant society. The legislation has not been static for 40 years, and Senator Singh alluded to that in her contribution. There have been amendments over the years, most notably, I would argue, amendments to section 18C, which have now moved beyond the original intention of the legislation and have upset the delicate balance between protection from discrimination and freedom of speech.
The point I am making is this: that in the same way as the Magna Carta, which we are celebrating today, has had 800 years of influence over our parliamentary democracy and our traditions we should be open to the fact that the Racial Discrimination Act, which was passed 40 years ago, should be open to discussion, should be open to change and should be open to reform. I am proud to say that in this place I am one of those people who believes there are some elements of the Racial Discrimination Act that can, and should be, reformed. It is not new news to senators that I and a number of other senators have proposed the evolution of the Racial Discrimination Act, particularly in regards of section 18C, to better promote freedom of speech in our country and, importantly, to transfer the burden from legislation to every individual in this country to challenge discrimination and abusive and offensive things whenever they are said and heard.

Just briefly, I am proud to say that I am not alone. Senator Bernardi, Senator Leyonhjelm and Senator Day have a similar view to me.

Senator Cameron: All the Tea Party senators.

Senator SMITH: If Senator Cameron was well schooled in this issue, he would know that my views are shared by the Chief Justice of the High Court.

Senator Cameron: Oh, wow!

Senator SMITH: If Senator Cameron had respect for the law, he would be curious to know what the Chief Justice of our High Court had to say.

Senator O'Sullivan: And I'll bet he doesn't.

Senator SMITH: I was waiting for an invitation, but you are quite right, Senator O'Sullivan.

The ACTING DEPUTY PRESIDENT (Senator Williams): Order in the chamber! Continue, Senator Smith. We have been going very well up until now.

Senator SMITH: I will continue in that spirit, Mr Acting Deputy President. What did Justice Robert French, the Chief Justice of the High Court now, say in regards to the Racial Discrimination Act and particularly in regards to section 18C? Justice French said:
The lower registers of the preceding definitions [in 18C] and in particular those of 'offend' and 'insult' seem a long way removed from the mischief to which Art 4 of CERD is directed. They also seem a long way from some of the evils to which Part IIA [of the RDA] is directed as described in the Second Reading Speech.
Let me abbreviate that for you, Senator Cameron. The Chief Justice is saying that the words 'offend' and 'insult' are not working in the way that was originally intended.

Would you like to hear from the esteemed human rights lawyer Sarah Joseph about her attitude to whether or not section 18C should be reformed?

The ACTING DEPUTY PRESIDENT: Order! Direct your comments through the chair, please, Senator Smith.

Senator SMITH: Perhaps another name that might be more familiar to Senator Cameron and, indeed, Senator Lines is Julian Burnside QC, a prominent human rights lawyer. What has he said in regards to reforming section 18C? He said:
… the mere fact that you insult or offend someone probably should not, of itself, give rise to legal liability. My personal view is that 18C probably reached a bit far so a bit of fine-tuning would probably be OK.

The point is a simple one. Legislation is not static. This place should be brave enough to embrace, discuss and debate reform and change.

Senator Wright is absolutely correct: reform of 18C is a contentious issue. It has brought strong opinions to this place. But this is what the Australian Senate is for. I am sure that every one of us, including you, Senator Cameron, has it within us to engage in a mature debate to bring forward a proper and healthy discussion about whether or not the Racial Discrimination Act should evolve.

Senator SIEWERT (Western Australia—Australian Greens Whip) (16:48): My contribution to this debate and the fact that we are marking this very important anniversary of the Racial Discrimination Act is to bring into focus Aboriginal and Torres Strait Islander peoples. I would argue that the act, while it has done some great things and we have made some progress, is still not protecting Aboriginal and Torres Strait Islander peoples from prejudice or, in fact, racial abuse. It is very important to note that the only time that the Racial Discrimination Act has been set aside has been to enable legislation to impact on Aboriginal and Torres Strait Islander peoples. The Northern Territory intervention was an unfortunate example of where the Racial Discrimination Act was set aside. The intervention was exempted from the operation of that act. While I disagreed with many other things that the Labor government subsequently did in the Northern Territory with the intervention, one of the good things they did was restore the operation—although not quite fully—of the Racial Discrimination Act to that particular piece of legislation.

The law, as we know, makes it so you cannot lawfully discriminate and so you can protect people against prejudice. The point that I made earlier is that this act has not done that. If you go and talk to any Aboriginal community, they can recount occasion after occasion where they have been subjected to prejudice and racial abuse. When we were carrying out the hearings on constitutional recognition, we constantly heard that. Just a couple of months ago in South Australia a young man gave us an account of the abuse and prejudice he suffered at school. So we still have a long way to go. It is worth celebrating, but we in this country have more to do.

Senator LINES (Western Australia) (16:50): I want to go back to the words of Gough Whitlam on the proclamation of the Racial Discrimination Act in 1975 when he said:

There is nothing in the Constitution, or any other document, to entrench or even give expression to the rights of citizens and the democratic ideals on which our society is based. Unlike the United States, we have no bill of rights; unlike the US, our Constitution says nothing about civil liberties. There is a need to spell out in an enduring form the founding principles of our civilisation, and in particular the principle that all Australians, whatever their colour, race or creed, are equal before the law and have the same basic rights and opportunities.

When Mr Kep Enderby moved the bill, he said: 'It should have happened many years ago.' The bill was a significant step in the development of policy and the promotion of human rights in Australia.

Laws against racial vilification and racial discrimination should not be contested in Australia, but sadly they are. We are a country with a history of migration which has yet to
reconcile, accept and respect that our first peoples, our Aboriginal and Torres Strait Islander peoples, are still not recognised and are discriminated against in Australia. On a day when we celebrate the 800th anniversary of the Magna Carta, WA Chief Justice Martin reminds us that we fail to acknowledge that Aboriginals law is many thousands of years older than that which was created when the English earls and barons bailed up King John on the banks of the Thames near Runnymede. If parliament are the place which set the example, not only do we need to do more to reflect, in our elected representatives, our multicultural and Aboriginal and Torres Strait Islander peoples; we must do it in the acts we debate in this place.

The Racial Discrimination Act has been under attack by the Abbott government, which sought to repeal section 18C of the act. An overwhelming backlash in the community ensured this attack on the act was dropped. But the record shows that the conservatives have tried to water down the act since it was introduced in 1975—indeed, they sought amendments which watered down the act on its introduction—and they have continued their attack on this act over the last 40 years.

Why is it that when there is a clear need for this act in 2015, as there was in 1975, that conservatives continue to attack this act? We saw the extraordinary outcry just a few weeks ago when Adam Goodes did a celebration dance, a recognition and respect of his culture, a tribute to the Flying Boomerangs, an Indigenous youth program run by the AFL, that many commentators thought was outrageous and frightening. Anyone who watched that surely must have seen the delight on his face as he did that wonderful dance. It shows again that racial discrimination in our country continues, unfortunately, to be alive and well.

Why is it that, in the town of Geraldton, my 11-year-old Gidja granddaughter, on my taking her into a shop, said to me: 'I've been in this shop before and I don't like this shop.' I asked her: 'Why?' She told me that when she went into that shop with her mother, a Gidja woman, they were followed around. When I asked Charlee, 'Why was it that you were followed around by the owner of this shop', she said to me, as plain as anything, 'Because I'm Aboriginal.' That is the lesson that Australia has taught my 11-year-old granddaughter. She learnt that a long time ago—long before she got to the tender age of 11.

The Racial Discrimination Act is a good act. We need it, and we need to enact those principles. We need to enact the principles in the parliament and in our everyday lives, because the act, in and of itself, will not end discrimination. But, on the 40th anniversary of this act, I know, and many of my Labor colleagues know, that this act is as needed today as it was 40 years ago. I commend the act to the parliament—and I will continue to defend its operation.

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (16:55): It gives me great pleasure today to talk about the anniversary of the Racial Discrimination Act 1975. But it is worth reflecting that racism visited Australia long before European settlement. The very first description of an Indigenous Australian was by the English explorer, William Dampier. He observed our continent's first peoples in 1699 and was less than complimentary, to say the least. Dampier was a man, I suppose you would say, of his less enlightened times. But his description of Indigenous Australians, when he encountered them, was miserable, simply because they did not keep livestock and they did not wear clothes like Europeans. I think this demonstrates the narrow prism through which significant difference is too often viewed. Our history, like that of any nation, is replete with these sorts of examples: from the
punitive expeditions against local Aborigines, undertaken by the first settlers in Sydney Cove, to the anti-Chinese riots during the gold rush and the first acts of the Australian parliament in 1901 to restrict migration based on race and to deport specific islander labourers—the so-called beginning of the White Australia policy.

As we stand here today, it is not very hard to realise just how far we have come since we first arrived in this place. But it began slowly with the abolition of the infamous 'dictation test' for new migrants in 1958, among other developments. This was followed by the effective dismantling of the White Australia policy in the 1960s and the historic 1967 referendum that saw power given to the government to legislate for the benefit of Indigenous Australians. We learnt to celebrate diversity and difference instead of fearing them. We began to realise the benefits of difference by recognising that, underneath our traditional dress and the colours of our skins, all people are pretty much the same.

I think it is important to note some of those brave activists and trailblazers who championed and forced this recognition: people like Charles Perkins, who organised the Freedom Ride of 1965 to expose discrimination and racism; people like Sir Douglas Nicholls, the first Indigenous Australian to hold a viceregal office as governor of my home state of South Australia; people like Egon Kisch, who embarrassed the Lyons government in 1934 by passing the dictation test in every possible European language, except for Gaelic, and won the right to stay in Australia after the High Court ruled he had been unfairly discriminated against; people like Eddie Mabo—who is a tremendous example—David Passey and James Rice, whose efforts led to the rejection of the false concept of terra nullius and laid the foundation for native title. There were just so many great people, most from groups suffering from some level of discrimination, who made us recognise that, underneath, we are all essentially the same. The formation and creation of the Racial Discrimination Act in 1975 formalised the recognition that these people in our past had put so much hard work into achieving.

We now have an act, despite what has been said by those opposite in some of the more negative contributions that we have heard on this matter of public importance, that will ensure Australians of all backgrounds are treated equally and have the same opportunities. This act makes it against the law for you to be treated unfairly or to be discriminated against on the grounds of race, colour, descent, national or ethnic origin and immigration status. The act also makes racial hatred against the law. We have seen a lot of debate in this place over recent times about the interpretation of that. But, at the end of the day, we must ensure that we are very clear that it is the act of racial hatred that does not happen.

It is a great pleasure to be standing in a parliament at the moment that does not seek to perpetuate the problems that we have seen of the past but to learn of the problems of the past and operate under an act—like this particular act—that gives protection to every Australia, no matter what colour, creed, race or nationality; where they have come from; how they have come here; or when they have come here and, for that matter, those who were here before any of us got here. This act is 40 years old. It should be cause for great celebration that we stand here today and celebrate the fact that for 40 years we have had a racial discrimination act that looks after the people of Australia.

Senator LAZARUS (Queensland) (17:00): Forty years ago, Australia implemented one of the country's most progressive and important pieces of legislation: the Racial Discrimination
Act 1975. The act aims to ensure that Australians of all backgrounds are treated equally and have the same opportunities. I am proud to be Australian and I am supportive of our commitment to multiculturalism and unexclusiveness; but I know we need to do much more if we are to ensure that everyone in our great country is able to access and pursue the same opportunities and be treated with courtesy, respect and appropriate consideration.

Our very own Australian Human Rights Commission has a mission of human rights: everyone, everywhere and every day. Human rights should be basic rights. Sadly, in Australia this is not the case. In my home state of Queensland, it would seem landholders and farmers have no rights. They have no rights whatsoever. Coal seam gas mining companies can make a way onto farmers' land and commence mining coal seam gas without any approval needed from the landholder. Queensland landholders who attempt to resist CSG mining companies coming onto their land are subject to bullying, harassment and intimidation and are threatened with being taken to the Land Court of Queensland. To make matters worse, landholders then face the threat of court costs and fines for simply trying to protect their lands and their families from the devastating impact of CSG mining.

Communities across Queensland are turning into gas fields. I travelled to regional Queensland to see the devastation firsthand. The way this country is treating farmers and landholders has brought me to my knees. CSG mining depletes the earth of its water, dries up wells and bores, contaminates what little water there is left and poisons the earth. People affected by CSG mining are becoming ill, their children are waking up with blood noses, their animals are dying and the value of their land is plummeting.

When people seek help from the government or the CSG mining companies involved, they are made to jump through hoops or simply ignored. The way this country is treating Queensland farmers and landholders is nothing short of criminal. Communities across Australia are desperate to stop CSG mining. They want CSG miners off their land and off the land around them. There is plenty of gas available via other means. This country should not be allowing multinational companies to rape our land, harm our people and decimate our natural resources all for profits which go overseas.

Last week, Deputy Prime Minister Warren Truss was quoted as saying that what the CSG industry in Queensland had provided was a valuable economic boost to regional areas, as well as revenue for the Queensland government at a time when coal royalties were declining. He was also quoted as saying that the CSG mining industry was now well accepted in rural communities and provided employment in towns. This is the most disgraceful, insulting and ignorant thing I have ever heard. The majority of Queensland communities, or Australian communities for that matter, do not want CSG mining. A quick Google search could tell you this. If Warren Truss seriously thinks that revenue is more important than the health of our people, then he should resign immediately. It is clear that Warren Truss, our very own Deputy Prime Minister, has no regard for the human rights of the people of Queensland, because if he did he would not say such stupid things.

Australia needs leadership. Our country needs to improve our commitment to human rights and the government needs to understand that Queensland landholders and farmers have human rights too. It is not appropriate to turn a blind eye to the damage that is being done to the people of Queensland. Revenue should never be put before the health of our people. This is why I am calling on the government to undertake a royal commission into the human
impact of CSG mining, ban fracking and put a hold on any further CSG mining projects. I have a petition that over 60,000 people have signed.

We may be celebrating 40 years of a legislation commitment to human rights, but we urgently need to start understanding that the people of Queensland have rights as well. Human rights should come before money, before political donations from CSG mining companies and before mining revenue. (Time expired)

The ACTING DEPUTY PRESIDENT (Senator Smith): Order! The time for the discussion has expired.

DOCUMENTS

Consideration

The ACTING DEPUTY PRESIDENT (Senator Smith) (17:05): We now move to the consideration of documents. The documents for consideration are listed under page 8 of today's Order of Business.

Mental Health

Senator WRIGHT (South Australia) (17:05): I move:

That the Senate take note of the document.

I do thank Minister Ley for her response to the resolution of the Senate of 18 March 2015 concerning mental health services, but in her response to the resolution the minister refers to her decision to give a 12-month funding extension to so-called front-line mental health services. While mental health organisations did welcome this funding extension, it is not by any means a long-term solution. It came far too late for many. In fact, it was cold comfort to those workers who are forced to leave their jobs and in many cases uproot their families and lives, moving back to the city from country areas or giving up well-established careers in the mental health sector because the government could not give organisations the funding certainty that they needed to give staff job security, keep them employed and do the requisite planning ahead for their services.

In fact, when I asked specifically about this 12-month funding extension issue during Senate estimates, no-one in the health department could tell me whether or not organisations would find themselves in exactly the same situation in 12 months time. They are pushed from pillar to post, with funding drip-fed on a 12-month cycle. It allows them no scope to plan ahead or to know what the capacity of their organisation will be in 12 months or two years time. What a way to do business.

Despite this government's rhetoric around mental health system reform, no-one can assure me that the recommendations of the comprehensive National Mental Health Commission's review of mental health services and programs will be addressed or implemented by the time this 12-month funding extension has expired. So while the government is working through the recommendations from the National Mental Health Commission review, another year will slip by without any change, and that is another year that Australians will not get the mental health care they need.

The review found that mental health care in Australia often comes too late, is fragmented, fails too often to prevent crisis situations and often does not take into account a person's broader social needs. It found inadequate responses to significantly higher rates of mental
distress, trauma, suicide and intentional self-harm among Aboriginal and Torres Strait Islander people, and that mental health funding is concentrated in expensive acute-care services and too little is directed towards prevention and early-intervention strategies. These things all paint a picture of a mental health system that is difficult to navigate and does not meet the needs of our Australian population. We need this government to take action on mental health now.

Question agreed to.

Supertrawlers

Senator WHISH-WILSON (Tasmania) (17:09): I move:

That the Senate take note of the document.

I have moved to take note of the Minister for the Environment's response to the resolution of the Senate of 14 May 2015 concerning the protection of cetaceans. Cetaceans are protected in Australia for a good reason—cetaceans primarily being dolphins and whales. They are protected because they are highly valued by Australians. We feel like we have a close affinity with the creatures of the ocean, and dolphins are protected in this country. It is a concern—a significant concern—for a number of Australians that the onset of industrial fishing with a large factory floating freezer, which we call trawlers or supertrawlers, has come to this country. It is a new fishing activity. I want to put this in context. When that boat arrived we had already had a very big national campaign against the arrival of a supertrawler back in 2012, the Abel Tasman. Although there was significant community concern about the impacts of these large floating factory freezer vessels, a new supertrawler was able to come to Australian waters, the Geelong Star. When it arrived it was given the tick of approval by the Australian Fisheries Management Authority to go fishing. This happened on Good Friday, on Easter Friday, with very little public scrutiny—a media release was put out over the weekend—and in its first week fishing in Australian waters it killed four dolphins and two seals. This was announced by AFMA—they let the Australian public know that these dolphins had been killed, and the boat returned to port. Upon returning to port, apparently, this situation was resolved, and for a second time AFMA gave the Geelong Star the approval to go fishing. The first night that the trawler threw its nets it killed another four dolphins and two fur seals. So within its first couple of weeks of operation it killed eight dolphins. Dolphins are protected under Australian law, but the fishing industry has exemptions. They do not call them deaths; they call them 'interactions' to avoid the used of that emotive word. But death is exactly what it is. It is a totally unacceptable situation.

I have the response of Minister Greg Hunt here in front of me, and I notice he talks about an escalating management response depending on the number of interactions—let's call them deaths. I wanted to make it very clear here today that we have had significant stakeholder feedback around the arrival of this boat to Australian waters, and there is a very deep concern in the community that their concerns are being ignored by this government. In fact, people are bewildered as to why we are seeing another factory freezer vessel and industrial fishing coming back into our small pelagic fisheries. I note in Minister Hunt's letter that he says the Australian government wants to ensure that our fisheries remain world class but sustainably managed, and that decisions are made using the best available science. It was made public this weekend that in the resource assessment group for the small pelagic fisheries—this is one of AFMAs committees that looks at the risks and discusses the issues around quota management

CHAMBER
and setting quotas for the small pelagic fisheries—the national chair of the committee, a well-respected scientist, resigned from her position. She resigned from her position due to unacceptable conflicts of interest within the resource assessment group process.

The reason this is very significant and very serious is that in 2012, when the *Abel Tasman* arrived, this issue blew up and was investigated by the ombudsman. What they said in relation to the resource assessment group was that AFMA needed to get its processes right, and they needed to have a system in place that addressed concerns around conflicts of interest. Then the Borthwick review was released. The Borthwick review was supposed to bring Minister Hunt's department in closer contact with AFMA so that ecosystem impacts were looked at. That also dealt with conflicts of interest within fisheries management processes. Here we have the proponent of a supertrawler within an AFMA committee and the chair of the group reigns because of political interference. This has a very serious implication not just for the small pelagic fishery, and the way we manage that fishery—and the number of Australians that are very concerned about the arrival of factory freezer vessels—but it has implications for how we assess resource management in the broader sphere across AFMAs fisheries. There are some fisheries that AFMA does a very good job in, so it is a real shame that the third scandal—the third public relations disaster—for this supertrawler, which has occurred within the first month that it has been in Australia, is making life so difficult for AFMA. Australians want to see this boat leave. They do not want industrial fishing in Australian waters. It is time that we accepted that.

Question agreed to.

**Documents**

**Consideration**

The following document tabled earlier today was considered:


Legislative Assembly of Norfolk Island: Remonstrance

**Tabling**

The ACTING DEPUTY PRESIDENT (Senator Smith) (17:15): I table a remonstrance presented by the Legislative Assembly of Norfolk Island containing grievances relating to the removal of self-government in the Norfolk Island. With the concurrence of the Senate, the document will be incorporated into Hansard.

The document read as follows—

1 LEGISLATIVE ASSEMBLY OF NORFOLK ISLAND—SELF GOVERNMENT

The Legislative Assembly for Norfolk Island respectfully addresses itself to—

The Honourable the President of the Senate and the Members of the Senate,

The Honourable the Speaker of the House of Representatives and Members of the House of Representatives in Parliament assembled.

PREAMBLE
The passage in the Commonwealth Parliament of the Norfolk Island Act 1979 conferred on Norfolk Island a limited grant of self governing powers with its own legislature (the Legislative Assembly of Norfolk Island) with a plenary grant of legislative powers to legislate for the peace, order and good government of the Territory established, with its own body politic under the Crown with a wide grant of executive powers and with its own judicial system.

The Legislative Assembly for Norfolk Island is constituted of 9 representatives of the people of Norfolk Island; duly and democratically elected pursuant to the Legislative Assembly Act 1979.

The Norfolk Island Legislation Amendment Bill 2015 passed by the Commonwealth Parliament in May 2015 removes the self government powers of Norfolk Island. It has been passed without genuine consultation and negotiation with the Norfolk Island Government, the Legislative Assembly of Norfolk Island or the people of Norfolk Island.

The Statement of Compatibility with Human Rights contained within the Explanatory Memorandum for the Norfolk Island Legislation Amendment Bill 2015 asserted that the proposal to remove self-government powers from Norfolk Island was the result of an extensive consultation process that found significant support for change within the Norfolk Island community.

Norfolk Island voters in a referendum conducted on 8 May 2015 under the Referendum Act 1964 voted by a 68% majority that the people of Norfolk Island should have the right to freely determine their political status, their economic, social and cultural development and be consulted at referendum or plebiscite on the future model of governance for Norfolk Island before such changes are acted on by the Australian Parliament.

GRIEVANCES

The Legislative Assembly of Norfolk Island presents its grievances to the Commonwealth Parliament.

These are that:

(1) The people of Norfolk Island having been granted self governing powers, the duly elected representatives of the people of Norfolk Island are aggrieved that self government should be removed without genuine consultation and negotiation.

(2) The removal of self government in Norfolk Island breaches one of the conventions of self-government in the Westminster tradition that once self government is granted to a political entity, it should not thereafter be taken away except in the most extreme circumstances, for example, war or civil disturbance. See submission of the Commonwealth Attorney-General's Department to the Joint Parliamentary Committee on the Northern Territory, page 8 of Parliamentary Paper No. 281 of 1974 where it also states that it would be politically unthinkable to take away such powers after they had been granted.

PETITION

The Legislative Assembly of Norfolk Island and its democratically elected Members respectfully request that the Commonwealth Parliament affirm the rights of the people of Norfolk Island to self-government by re-examining those aspects of the Norfolk Island Legislation Amendment Bill 2015 that result in the removal of the Norfolk Island Legislative Assembly and call on the Prime Minister to confer on the people of Norfolk Island the right to freely determine their political status, their economic, social and cultural development and be consulted at referendum or plebiscite on the future model of governance for Norfolk Island before such changes are acted on by the Australian Parliament.

On 20 May 2015 the above Remonstrance was introduced by the Hon Robin E Adams MLA into the Fourteenth Legislative Assembly of Norfolk Island and was passed on the same day. The Legislative Assembly requested the Remonstrance be delivered by the Speaker of the Legislative Assembly to the Speaker of the House of Representatives and to the President of the Senate.
COMMITTEES

Membership

The ACTING DEPUTY PRESIDENT (Senator Smith) (17:15): The President has received letters from party leaders requesting changes in the membership of committees.

Senator PAYNE (New South Wales—Minister for Human Services) (17:15): by leave—I move:

That senators be discharged from and appointed to committees as follows:

Abbott Government’s Budget Cuts—Select Committee—
Discharged—Senator Di Natale
Appointed—Senator Whish-Wilson

Community Affairs Legislation and References Committees—
Discharged—Senator Reynolds
Appointed—Senator Lindgren

Education and Employment Legislation Committee—
Appointed—
Senator Johnston
Substitute member: Senator Rice to replace Senator Rhiannon for the committee’s inquiry into the provisions of the Fair Work (Registered Organisations) Amendment Bill 2014 [No. 2]
Participating member: Senator Rhiannon

National Disability Insurance Scheme—Joint Standing Committee—
Discharged—Senator Canavan
Appointed—Senator Lindgren

Publications—Standing Committee—
Discharged—Senator Bernardi
Appointed—Senator Lindgren.
Question agreed to.

BILLS

Law Enforcement Legislation Amendment (Powers) Bill 2015

First Reading

Bill received from the House of Representatives.

Senator PAYNE (New South Wales—Minister for Human Services) (17:16): 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 PAYNE (New South Wales—Minister for Human Services) (17:16): 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—

LAW ENFORCEMENT LEGISLATION AMENDMENT (POWERS) BILL 2015

This bill contains measures to clarify the questioning powers of the Australian Crime Commission and the Integrity Commissioner.

This bill will help to ensure that the Crime Commission, Integrity Commissioner and Australian Commission for Law Enforcement Integrity have access to necessary and appropriate powers so that they can play their part in the fight against serious and organised crime, foreign fighters and law enforcement corruption.

At the same time, this bill will strengthen checks and safeguards on examinations and hearings, to strike an appropriate balance between giving law enforcement and integrity agencies the powers they need to keep our community safe, and the need to preserve the fundamental right to a fair trial.

Background to examination and hearing powers

Examinations and hearings are crucial to the operations of the Crime Commission and Integrity Commissioner. A person questioned in an examination or hearing cannot hide behind the privilege against self-incrimination. They must answer all questions put to them. This enables the Crime Commission and the Integrity Commissioner to obtain information that would not otherwise be available through traditional policing and investigative methods.

Access to these powers is particularly important in the fight against serious and organised crime and systemic corruption. Groups and individuals involved in these activities are well funded, actively attempt to frustrate investigations, and are skilled at countering law enforcement methods to avoid detection.

The Crime Commission, the Integrity Commissioner and ACLEI use the information obtained through these questioning powers for a range of important law enforcement purposes, including to progress investigations, to develop, analyse and disseminate intelligence to partner agencies, to address systemic vulnerabilities in organisations and to disrupt the operations of organised criminal groups, like outlaw motor cycle gangs.

These are significant powers that override the right to silence. However, they are vital to law enforcement's ability to investigate, prevent and disrupt some of the most serious criminal activity.

Examinations and hearings are already subject to a number of checks and safeguards to balance these interests. This bill will strengthen these, and strike an appropriate balance between giving law enforcement agencies the powers they need to keep us safe, and the need to preserve the fundamental right to a fair trial.

Impact of recent cases

A number of recent court cases have affected the way these agencies can use their existing questioning powers. These cases include X7 and the Australian Crime Commission, Lee and the NSW Crime Commission, Lee against the Queen and The Queen against Seller and McCarthy.

These decisions have had a significant negative impact on the operations of the Crime Commission and the Integrity Commissioner.

For example, following the decision in X7, the Crime Commission has stopped examining anyone who had been charged with an offence where the questioning might touch on the subject matter of the charges. This has already prevented the Crime Commission from obtaining valuable intelligence about
the methodologies and activities of those involved in serious criminal activity, including recruiters and facilitators of foreign fighters and their links with other individuals.

**Measures in the bill**

The bill I am introducing today will respond to X7 and other relevant cases, by amending the *Australian Crime Commission Act 2002* and the *Law Enforcement Integrity Commissioner Act 2006* to place the Crime Commission and Integrity Commissioner's powers on a stronger footing.

The bill will make a number of changes to these Acts to clarify the nature and use of these powers, which I will go through in turn.

The bill will expressly authorise the Crime Commission and Integrity Commissioner to question a person who has been charged with an offence, which was the original intention behind those Acts.

This has been a very important power in the past. It has been used to question arrested paedophiles and child pornographers about the identities and locations of their victims. It has allowed law enforcement agencies to obtain a detailed understanding of contemporary drug trafficking techniques and to identify the individuals involved in those illicit activities. It has been used to weed out the insidious influence of corruption in our law enforcement agencies and make them more resilient.

The bill will also expressly authorise the use of derivative material obtained from an examination or hearing, and set out the circumstances in which examination, hearing and derivative material may be provided to a prosecutor.

These amendments are necessary to ensure that the Crime Commission, the Integrity Commissioner and their partners have clear authority to continue to take action based on material obtained from examinations and hearings. The bill will also expressly allow this material to be disclosed to investigators and others, so that it can be used to gather additional evidence (that is, derivative material) to support the prosecution of the person.

This bill will also more clearly authorise the Crime Commission to conduct examinations in the context of ongoing confiscation proceedings under the *Proceeds of Crime Act 2002*, and set out when that material may be used in those proceedings. These changes respond to Recommendations 3 and 4 of the Parliamentary Joint Committee on Law Enforcement's 2012 inquiry into unexplained wealth. This delivers on the Government's election commitment to implement the outstanding recommendations of the Committee's report.

The bill will make the same changes to the Integrity Commissioner's powers, and bolster the ability of Australia's law enforcement and integrity agencies to target criminals where it hurts most – their illicit wealth.

While these amendments will more clearly set out the ways in which examination, hearing and derivative material may be disclosed and used, these measures contain a number of important safeguards.

They will ensure that any use or disclosure of examination, hearing and derivative material will not prejudice a person's safety or their fair trial – one of the fundamental tenets of our criminal justice system.

The amendments to both the Crime Commission Act and the Law Enforcement Integrity Commissioner Act will more clearly set out the circumstances in which examination and hearing material can and cannot be disclosed.

The bill will place specific limits on the circumstances when examination material, hearing material and derivative material can be provided to the prosecution. In some cases, an investigator will have to seek a court's permission to disclose this material to the prosecution. The court will decide whether disclosure would be in the interests of justice.
The bill also makes it clear that courts retain their powers to ensure that the accused receives a fair trial.

The amendments will protect the right to a fair trial of a person questioned by the Crime Commission or Integrity Commissioner. They will ensure that law enforcement agencies can carry on their important role of fighting organised crime and corrupt elements within our law enforcement agencies without unfairly impacting upon the fundamental rights of the accused.

The amendments will also confirm that the Crime Commission's and Integrity Commissioner's coercive questioning powers can only be used for the specific purposes set out in legislation. That is, for the purposes of a Crime Commission special intelligence operation or special investigation, or for an investigation into a law enforcement corruption issue. For example, the amendments to the Crime Commission Act will more clearly identify that an examination always occurs in support of a special operation or special investigation. In some instances, material from an examination may assist in a prosecution or confiscation proceeding. However, the primary purpose of an examination is not to bolster the case against the examinee, but rather to gather information for the purpose of understanding, disrupting or preventing serious and organised crime.

Finally, the bill will also increase the penalties for breaching non-disclosure obligations relating to examinations and hearings so that they are consistent with similar Commonwealth offences.

Conclusion

The powers of the Crime Commission and Integrity Commissioner are significant. But so too are the challenges posed by serious and organised crime and its enabler, corruption. Serious and organised criminals exploit every advantage they can. The questioning powers of the Crime Commission and Integrity Commissioner go some way to levelling the playing field.

This bill will ensure that those agencies have the questioning powers they need, and that the information they gather can be put to maximum use to protect the community. It will do so in a way that upholds fundamental principles of our criminal justice system about the right to a fair trial.

Without these amendments, the Crime Commission and the Integrity Commission will struggle to fulfil their mandates and protect the community. They are vital to law enforcement's ability to understand, disrupt and prevent some of the most serious criminal activity.

Debate adjourned.

Safety, Rehabilitation and Compensation Amendment (Improving the Comcare Scheme) Bill 2015

Tax and Superannuation Laws Amendment (Employee Share Schemes) Bill 2015

First Reading

Bills received from the House of Representatives.

Senator PAYNE (New South Wales—Minister for Human Services) (17:17): These bills are being introduced together. After debate on the motion for the second reading has been adjourned, I shall move a motion to have the bills listed separately on the Notice Paper. I move:

That these bills may proceed without formalities, may be taken together and be now read a first time.

Question agreed to.

Bills read a first time.
Second Reading

Senator PAYNE (New South Wales—Minister for Human Services) (17:18): I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

THE SAFETY, REHABILITATION AND COMPENSATION AMENDMENT (IMPROVING THE COMCARE SCHEME) BILL 2015

The Government is committed to ensuring that Australian workplaces are safe, flexible and productive and to reducing the risk and impact of workplace injury and disease.

It is vital that people injured in the course of their employment are given every opportunity to get better and return to work.

This requires a modern workers’ compensation scheme that meets the needs of today’s workforce and is sustainable into the future.

Early and effective rehabilitation, as well as appropriate financial compensation, are essential to helping people recover and get back to doing the things that are important to them, including their jobs.

The Safety, Rehabilitation and Compensation Act 1988—also known as the SRC Act—covers Australian and ACT Government employees and the employees of 33 corporations licensed under the Comcare scheme.

In 2012, the now Leader of the Opposition, as Workplace Relations Minister commissioned the first comprehensive review of the scheme since its introduction in 1988. When the then Hawke Government Minister, Brian Howe, introduced the SRC Bill into Parliament, he stated that the aim of the changes was to provide assistance to those employees most in need—the long-term incapacitated.

Unfortunately, since 1988 the scheme has had piecemeal amendments that have made it out-of-step with community standards and evidence-based practices.

The 2012 review commissioned by the Gillard Government found that the scheme does not give injured employees enough support and incentive to return to the workplace. In addition, the scheme allows injured employees to make claims for conditions that are unrelated to work and to undertake treatments that are not evidence-based. People are not getting back to work as quickly as they should and this is causing costs to spiral and creating negative perceptions of the scheme within the community.

Indeed, even the left-wing ACT Green-Labor Government have criticised the Comcare scheme, saying:

"The Comcare system is quite burdensome, not only for claimants but for their employers as well. The focus we want to see is recovery and rehabilitation for our staff and getting them back to the workplace. The studies show that if you get people back to work earlier, their lives are better in the long run."

Using the recommendations from the review as a starting point, building on feedback from stakeholders and also adopting some reforms that have been advanced by state Labor Governments, this Government is proposing a package of reforms that will rehabilitate people and get them back to work; target support; and improve the scheme’s integrity and viability. The reforms will also ensure that loopholes in the legislation that allow people to take advantage of the scheme are closed.

Importantly, and unlike most of the state and territory schemes, the proposed measures will ensure that the Comcare scheme continues to provide eligible injured employees with income payments until pension age and lifetime medical and rehabilitation expenses.
Ensuring a stronger focus on rehabilitation and return-to-work

The Bill includes a number of changes to assist employers to meet their rehabilitation obligations and engage more effectively with injured employees in the return-to-work process.

The amendments facilitate this cooperation by better enabling employees and employers work together and are prepared to accept responsibility for managing injuries, ensuring support where injuries occur and enabling people to get back to work as soon as possible.

Employers will have a stronger responsibility and greater incentives to provide alternate work or reduced hours to injured employees.

Injured employees will be encouraged to participate actively in their injury management and rehabilitation. Where they are able to do so, they will be required to seek, engage and remain in suitable employment.

The Bill also strengthens an employee's access to rehabilitation and, in specific circumstances, Comcare will have the power to commence or take over rehabilitation.

A large body of evidence-based research has established that many health problems can benefit from work-based rehabilitation and an earlier return to work. Using this evidence as a basis for improvement, the compensation payment system has been re-structured to provide targeted financial incentives to return to some form of work as soon as safely possible.

Systemic incentives to remain on workers' compensation for extended periods will be removed by providing for more graduated reductions in income replacement payments and reducing compensation payable where an injured employee refuses employment while having a capacity to earn in suitable employment.

Targeted support for injured employees

Many employees, when they are injured, need to take time off work to recover and will often draw on their own savings or leave entitlements while their workers' compensation claim is being considered. If claims are not processed quickly, leave entitlements and savings can be quickly exhausted, access to medical treatment can be delayed and this, in turn, can impede recovery and eventual return-to-work.

To reduce the financial stress of illness and injury, the scheme will now provide for provisional medical payments up to $5000 before a claim is determined. The employer will have immediate rehabilitation responsibilities.

The amendments will also ensure that the money spent on medical treatment and post-injury care and support services is better targeted and that services are provided by trained professionals.

Professional, monitored post-injury care will be provided to employees for the first three years of their injury, with uncapped, long-term or life-long care available to the catastrophically injured after this time.

Employees who have been seriously injured will still have access to lump sum payments to help them achieve a better quality of life. Under the proposed changes, the maximum lump sum payment amount will be increased from $242,000 to $350,000.

For those with less serious injuries, these payments will be more accurately scaled to allow for higher payments for those who need more support.

More timely access to compensation payments will be achieved with the introduction of timeframes for determining claims and resolving disputed claims, as well as improved information-gathering powers. Employers will also be required to lodge claims more quickly, and within specified timeframes, once they are notified of a claim.

To provide assistance to employers in meeting their obligations under the new timeframes, the amendments will enable more accurate calculation of income replacement. This will better take into
account today's labour market conditions and the changing industrial profile of employers in the scheme.

To ensure that there are no gaps or inequities in the payment of entitlements to workers nearing pension age, eligibility for income replacement will be linked to the national age pension age and the five per cent reduction in compensation payments for employees accessing superannuation benefits will be removed.

**Scheme integrity and viability**

This Bill also seeks to ensure that the workers' compensation system deals with employment-related injury and disease.

When the Government of the day introduced the SRC Act 27 years ago, it recognised the need to ensure that employers were not paying for non-work related conditions and introduced changes that required employees to show a close connection between their condition and the employment in which they were engaged.

Despite this intention, this distinction has been blurred over time through judicial interpretation of the legislative provisions and unreasonable constraints have been placed on employers' management of the workplace. This has resulted in increased premiums and pressures on scheme sustainability.

The amendments will distinguish more clearly between work and non-work related injuries and limit the payment of compensation to employees who have sustained injuries due to work or the workplace. Existing provisions will be strengthened to require a clear causal connection with work before compensation is payable.

The amendments will also clarify the matters to be taken into consideration for psychological claims and introduce new thresholds for specified pre-existing conditions such as heart, brain and spinal injuries to ensure that that scheme is accepting liability for conditions that are work-related.

As the workers' compensation system was never designed to prevent employers taking reasonable action to manage their employees, the proposed amendments will clarify the range of reasonable management actions that, when reasonably undertaken, should not give rise to compensation claims.

In order to address rapidly escalating scheme costs and ensure the long-term viability of the scheme, Comcare will be permitted to establish schedules that specify the amounts payable for medical treatment and medical reports, and legal services obtained by claimants. Currently, there are no limits on the amounts that Comcare pays for these items.

Schedules will not only reduce lengthy dispute timeframes but provide greater certainty and transparency for service providers and claimants.

Scheme costs will also be reduced by excluding overtime and allowances in the calculation of compensation payments after the first two years.

The integrity of the scheme will be underpinned by a 3-stage sanctions regime in which employees who don't meet their medical treatment and rehabilitation obligations will have their compensation rights suspended or cancelled.

Most people are willing and eager participants in the injury management and rehabilitation process and welcome every assistance to recover and resume their normal lives. Those who refuse to utilise the scheme's resources to get better and return to work will no longer be able to do so with impunity.

**Australian Defence Force members**

In recognition of the Government's commitment to the unique nature of military service, Australian Defence Force (ADF) members with coverage under Part XI of the SRC Act will be exempted from all but two of the proposals being introduced in the Bill.

These proposals relate to the calculation of permanent impairment compensation and will ensure that a member or former member of the ADF will not receive less compensation than an employee covered.
by the Comcare scheme with the same level of impairment. The Government’s agreement to these changes is a reflection of our commitment to recognising the unique nature of ADF service.

The Government will also create a new Act to separate ADF members and former members from the existing SRC Act.

Conclusion

The Comcare scheme is one of the few remaining Australian workers' compensation schemes that provides, and will continue to provide, income payments until pension age and lifetime medical and rehabilitation payments. This Bill will ensure that we have a fair and sustainable long-tail scheme into the future—one of the only remaining in Australia.

A majority of these reforms have been inspired by the Review commissioned by the now Leader of the Opposition or from reforms made by State Labor Governments, including from the Bracks Government in Victoria.

These reforms ensure that the scheme will remain one of the most generous in Australia but the focus will shift towards getting people back to work rather than just providing compensation.

The Government’s reforms will be better for workers by promoting injury prevention, but supporting those who are injured to recover and, most importantly, assisting them to get back to work.

I urge all members to support the changes in this Bill and commend the Bill to the House.

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1 ACT Minister Mick Gentleman, ACT dumps Comcare, Canberra Times, 26 February 2015

TAX AND SUPERANNUATION LAWS AMENDMENT (EMPLOYEE SHARE SCHEMES) BILL 2015

Today, I introduce a Bill that energises enterprise and makes life easier for the hard working women and men of small business.

This Bill introduces important improvements to the taxation of employee share schemes, removing key impediments introduced by the former Government and creating a new ‘start up’ incentive to restore and rebuild employee share schemes as a key tool to support enterprise formulation.

Employee share schemes support and encourage innovation. They energise enterprise and entrepreneurs.

An effective employee share scheme can support those hardworking women and men out there having a go.

Employee share schemes can drive growth in jobs and growth in productivity—important ingredients in a healthy economy.

Employee share schemes offer employees a financial interest in the company they work for—aligning the interests of employees with the interest of their employers. This synchronicity of interests and objectives can drive innovation, entrepreneurship and enterprise success.

Both shares and options provide employees with a direct interest in the performance of the firm. They can turn out to be very lucrative for employees of successful companies.

These schemes encourage positive working relationships and reduce staff turnover.

Employee share schemes benefit employers, too.

They are a very valuable tool for employers to attract and retain talented employees.

We know small firms sometimes lack the cash flow to pay salaries that can allow them to compete internationally. Employee share schemes allow firms to be globally competitive by supplementing employees’ salaries with equity in the company they work for.
Unfortunately, the potential of employee share schemes has not yet been realised in Australia. This means we are missing opportunities every single day.

Our Government knows that our country's tax system should not be an impediment for innovative companies hoping to form, successfully start up and grow their business and in turn employ people and grow our economy.

In 2009, the Rudd Labor government introduced integrity measures and changed the tax treatment of employee share schemes. Labor's 2009 amendments mean that the discount component of shares or options is taxed when the employee receives those shares or options. This often forces employees to pay tax on their options before they can take any action to realise a financial benefit from those options.

We have seen the current tax arrangements effectively halt the provision of options through employee share schemes.

These taxation arrangements, introduced by Labor, are not competitive by international standards as they generally bring forward the taxing point well in advance of any prospect for a realisable gain.

The 2009 amendments also introduced integrity measures to limit opportunities for tax avoidance by requiring the reporting of schemes and participants. These sensible measurers will remain, while the Government deals with the harm caused by the ill-conceived tax treatment changes.

Because we are serious about getting this measure right, our Government has consulted extensively on this issue, and has listened to the concerns of a range of stakeholders. In the most recent round of consultations earlier this year, our Government hosted a number of face-to-face and teleconference meetings and received over 50 written submissions.

These revealed strong support for the Government's announced commitment to remedy a number of problems with the current taxation of employee share schemes. There were two significant areas of concern.

Firstly, the current rules mean employees often pay tax on their options before they can even get any financial benefit from the options by converting them into shares and selling the shares. This means employees have been taxed on something that is difficult to value and may not even result in a benefit to the employee.

The 2009 changes effectively ended the provision of options under employee share schemes, particularly by start-ups. This limited start-ups' capacity to remunerate employees. It put Australian firms at a disadvantage compared to those in many other countries.

In a world where employees can easily cross international borders, the 2009 changes affected the ability of Australian firms to compete globally for the best and brightest workers.

The second issue that many stakeholders were affected by was around the red tape and compliance costs currently associated with setting up and maintaining an employee share scheme in Australia.

Let me share one example with you today—companies offering an employee share scheme in Australia are required to have a company valuation completed.

Stakeholders revealed that this sort of valuation and preparation of required documents can cost up to $50,000 in Australia. This is compared with a cost of around $2,000 to $5,000 in the United States.

It is a pronounced problem for start-up firms, which are poorly placed to bear the impact of these regulatory costs.

This significant red tape problem must be addressed if we are to improve the competitiveness of Australia. This needs to be addressed if we want to make Australia the best place to start and grow a business—if we want to secure Australia's future as a destination for innovative start-up companies.

Our Government has listened to the concerns of stakeholders. We are committed to making it easier to do business in Australia. This Bill will address the problems arising since the 2009 amendments and will make Australia's taxation of employee share schemes more competitive internationally.
Today's Bill makes two main changes to the tax arrangements for employee share schemes.

First, employees issued with options under an employee share scheme will generally be able to defer tax until they exercise the options. This is rather than them having to pay tax when they receive the options.

This will benefit employees by deferring their tax liability until they can actually realise a financial benefit from their options.

Our Government will also extend the maximum time for tax deferral from seven years to 15 years, which will give companies more time to build their business and succeed.

The maximum individual ownership limit currently restricts employee ownership for those accessing the employee share scheme tax concessions. This Bill doubles this limit from five per cent to 10 per cent, which could help some founders and provide a boost for critical workplace team members.

These improvements will be available to all companies, from large biotech and mining companies listed on the stock exchange to small, unlisted businesses looking to take on their very first employee.

The amendments encourage more Australian companies to realise the potential of employee share schemes.

And those companies establishing such schemes will become more competitive in attracting talented employees in an international labour market. We are ensuring these businesses can be nimble in the global economy.

Secondly, we will provide an additional concession to start-up companies. This new incentive is unashamedly targeted at young enterprises to reactivate and energise employee share scheme arrangements for the productivity-enhancing, entrepreneurial and innovative start up sector.

Employees of eligible start-ups can receive options or shares at a small discount, and if they hold the shares or options for at least three years, they will not be subject to up-front taxation.

For options, the discount component will be taxed when the employee is in a better position to fund the tax liability. For shares, the discount component will be exempt from tax.

To qualify for this concession, companies must have been incorporated for less than ten years, be unlisted and have turnover of no more than $50 million per year.

These eligibility criteria mean that the concession is targeted towards small and start-up firms. The innovators we are committed to encouraging are those who often face additional liquidity and valuation obstacles that larger firms do not. The eligibility criteria will also limit the cost to revenue at a time of fiscal repair.

This concession will provide a significant benefit to many companies in the start-up phase. It will give them a better chance at achieving success in Australia, instead of being forced to look overseas for more favourable business conditions and a potentially more supportive entrepreneurial ecosystem.

These measures are about more than just providing a benefit to companies and employees engaged in employee share schemes. It adds to and supports our economy as a whole as we retain Australian talent and better support Australian innovation and entrepreneurship.

To address the excessive red tape burden, our Government has asked the Australian Taxation Office to work with industry to develop and approve 'safe harbour' valuation methods and standard documents. This will help streamline the process of establishing and maintaining an employee share scheme, reducing costs and compliance burdens that may discourage employee share scheme engagement.

A number of integrity measures designed to limit tax avoidance opportunities, such as reporting schemes and participants and limiting the $1,000 up-front tax concession to employees who earn less than $180,000 per year, will be retained.
All of these amendments will help align the interests of employers and their employees, as everyone involved in the business will have the financial and emotional motivation to grow their company.

The amendments will help stimulate the growth of high technology start-ups in Australia. The changes make Australia a more attractive destination for innovative companies seeking to commercialise their ideas domestically.

These changes boost the competitiveness of Australian firms who are committed to attracting and retaining talented employees in the international labour market.

Our Government has worked with industry to make sure that the draft legislation delivers the intended outcomes. We have listened to stakeholders and made amendments to the draft legislation.

In particular, we acted on stakeholder concerns regarding access to the capital gains tax concession, and eligibility for the start-up concession where certain venture capital funds are involved.

Stakeholders told us that most people convert their options into shares around the time they sell the shares. Under usual capital gains tax rules, this would mean that most employees of a start-up would not benefit from the 50 per cent capital gains tax discount because they haven't held the share for more than 12 months. This is despite a requirement to hold the option for at least three years in order to get the additional concession for start-ups.

Today's legislation addresses this issue and has been enhanced by collaborative and constructive consultation with stakeholders.

It makes it clear that the 50 per cent capital gains tax discount will be available for options issued to beneficiaries of the start-up concession, even where the underlying shares are held for less than 12 months. This will provide a significant concession to employees who are issued with options under the start-up concession. It is a further incentive for employers hoping to offer employee share schemes to their workers.

Our Government has also provided a carve-out for certain venture capital funds from the aggregated turnover and 10-year incorporation rules for the start-up concession. This will allow contributing Venture Capital Limited Partnerships, Early Stage Venture Capital Limited Partnerships and others to be excluded from the assessment of aggregate turnover and period of incorporation. This will expand the number of employees eligible for the start-up concession and, according to the Australian Private Equity and Venture Capital Association Limited, make sure the additional concession gets to 'the very kind of start-ups that Australia needs to nurture.'

As a result of our extensive consultations, we've also picked up many suggested technical amendments to make sure the legislation has the desired effect. Examples include allowing the Australian Taxation Office discretion in regard to the three-year holding rule; clarifying that the refund provision applies to cancellations; and clarifying that the definition of broad availability of the scheme applies only to shares.

We understand that some think the changes don't go far enough.

We have heard that having a taxing point when someone leaves their job isn't appropriate. The refund rules contained in this legislation should help to address some of this concern. The refund rules mean that income tax paid on options when employment ceases will be refundable if the option is subsequently not exercised and lapses, or is cancelled.

Even in the constrained fiscal environment we currently face, our Government knows the benefits that can be achieved by stimulating entrepreneurship and innovation in the economy.

These amendments will come at a cost to revenue of around $200 million over the forward estimates, but this cost will be far outweighed by the many benefits that the new arrangements will bring.

During consultations, some suggested that the start-up concession should be applicable for older, listed technology and mining start-ups. But all policy needs to be weighed against other priorities and
the cost to taxpayers. So keeping this at the forefront of our mind, and on balance, we've decided to keep the additional concession focussed on genuinely early stage firms that are more likely to have cash flow issues.

Another strong message we heard in consultations was that stakeholders want this legislation to be in effect as soon as possible. In response, our Government intends to bring the amendments into effect for new shares and options issued from 1 July 2015.

These amendments go to our commitment to ensure Australia is the very best place to start and build a small business—we are committed to bolstering entrepreneurship and innovation in Australia. They provide a valuable tool that will benefit employers and employees—but importantly, they will ultimately benefit the health of our Australian economy.

These changes make Australia a more attractive destination for investment, particularly for innovative start-up firms.

They will increase the international competitiveness of Australian firms who we know need to compete with companies all over the world for talented employees.

Our Government is committed to ensuring the settings are right for Australian start-ups and small businesses to grow and prosper.

Full details of the measure are contained in the explanatory memorandum.

Debate adjourned.

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

Communications Legislation Amendment (SBS Advertising Flexibility and Other Measures) Bill 2015

Defence Legislation ( Enhancement of Military Justice) Bill 2015

Social Services Legislation Amendment Bill 2015

Tax and Superannuation Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2015

First Reading

Bills received from the House of Representatives.

Senator PAYNE (New South Wales—Minister for Human Services) (17:19): These bills are being introduced together. After debate on the motion for the second reading has been adjourned, I shall move a motion to have the bills listed separately on the Notice Paper. I move:

That these bills may proceed without formalities, may be taken together and be now read a first time.

Question agreed to.

Bills read a first time.

Second Reading

Senator PAYNE (New South Wales—Minister for Human Services) (17:19): I move:

That these bills be now read a second time.

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

Leave granted.
The speeches read as follows—

COMMUNICATIONS LEGISLATION AMENDMENT (SBS ADVERTISING FLEXIBILITY AND OTHER MEASURES) BILL 2015

Introduction
The Communications Legislation Amendment (SBS Advertising Flexibility and Other Measures) Bill 2015 provides the Special Broadcasting Service (SBS) with increased flexibility in the scheduling of advertising and clarifies SBS's ability to earn revenue through having product placement during programming.

The Bill also makes minor technical amendments to the legislation governing SBS and the Australian Broadcasting Corporation (ABC), and repeals various redundant acts and provisions from Communications portfolio legislation.

SBS advertising
SBS is Australia's multicultural broadcaster which operates under a mixed funding model. While the majority of SBS's operating budget is funded by the Australian Government, the remainder is drawn from SBS's commercial activities including advertising and sponsorship.

In 2014 the Department of Communications completed an Efficiency Study to identify savings that could be made in the back of house operations of the ABC and SBS – in other words, savings that could be made without reducing the resources available for programming.

The Study identified an opportunity for SBS to earn additional advertising revenue without increasing the maximum amount of advertising it was permitted to show over a 24 hour period.

SBS has a strict limit of five minutes of advertising per hour, which equates to a maximum of 120 minutes of advertising shown per day. However SBS earns the majority of its advertising revenue during peak viewing times – between 6pm and midnight – or when it broadcasts special events such as the FIFA World Cup.

This Bill will amend the Special Broadcasting Service Act 1991 to allow for a more flexible approach enabling SBS to show up to 10 minutes of advertising per hour but within a daily limit of 120 minutes.

This will allow SBS to schedule up to 10 minutes of advertising during higher rating programmes to increase its advertising revenue, while scheduling less advertising during other hours so that the 120 minute daily cap is not exceeded.

The 120 minute daily cap on advertising is still well below the 350 minutes per day the commercial broadcasters can devote to advertising.

It is also important to note that not all content broadcast on SBS is attractive to advertisers, as such, SBS does not currently fill 100 per cent of the time it has available for advertising across all channels and markets.

This is particularly the case in regional markets where SBS is regularly unable to fill five minutes of advertising per hour per channel, even during peak evening viewing times when its higher rating programmes are generally shown. In markets with insufficient demand, the additional flexibility afforded by the proposed measures is unlikely to result in a significant change to the amount of advertising SBS is able to attract.

Product placement
The ABC and SBS Efficiency Study also identified an opportunity for SBS to earn additional revenue through the use of product placement within particular types of programming, such as food or sports.
Product placement is widely used by broadcasters to earn additional revenue and subsidise the cost of content production.

SBS currently broadcasts acquired programming which already contains product placement from agreements made to the benefit of third parties, prior to SBS’s consideration of the programme.

However, SBS does not use product placement in its own commissioned programmes due to a lack of clarity in the SBS Act regarding its use.

The Bill amends the SBS Act to specifically allow SBS to earn revenue through having product placement in its programming. It also requires the SBS Board to develop and publicise guidelines regarding the use of product placement and report on its use and earnings in the annual report. The same requirement exists in the SBS Act for the use of advertising and sponsorship announcements.

Financial impact of advertising changes

In the short term, additional advertising revenue will be directed towards meeting the government’s efficiency savings applied to SBS from 2015-16. If the SBS advertising measures in the Bill are not passed before the end of this financial year, SBS will need to find other ways to achieve the necessary savings, which it has indicated may involve reductions in programming and/or services.

In the longer term, the government’s intention from these changes is that SBS becomes a stronger and more sustainable broadcaster. Advertising flexibility strengthens SBS by making it less dependent on Government and helps secure its future and independence.

It is anticipated that the SBS advertising measures will result in an increase in SBS’s advertising revenue of $28.5 million over four years from 2015-16. In later years, if they exceed that run rate, the additional revenues can be directed towards delivering more distinctive and innovative content and services in line with its Charter responsibilities.

Additional revenue earned by SBS is highly unlikely to have a material impact on the advertising revenue of the commercial broadcasting industry, which totalled $3.9 billion in 2013-14.

Since the introduction of in programming advertising on SBS in 2006-07, SBS’s advertising revenue has steadily increased, peaking at $72.3 million in 2009-10 and $73.4 million in 2013-14, due to advertising associated with the 2010 and 2014 FIFA World Cups.

It is important to note that these two highest revenue results for SBS constituted less than 2 per cent of the commercial television industry revenue for the respective financial years.

The steady growth of SBS advertising revenue over this period has not historically led to a reduction in overall commercial advertising revenues for free-to-air television.

This is likely because of the continued growth of the entire television advertising spend over this period, which has significantly outstripped the growth in SBS’s own advertising revenues. However, this total growth seems to have stagnated after the post-GFC recovery in the advertising market.

I acknowledge the opposition to this Bill from the commercial television networks; they are under pressure from new over the top entrants and the changing nature of viewing habits but I think the members here and in the other place need to recognise that any economic impact from changes proposed in this Bill is not material to their earnings.

Miscellaneous legislative changes to the ABC and SBS Acts

The Bill also makes minor technical amendments to the Australian Broadcasting Corporation Act 1983 and the SBS Act to provide consistency with other broadcasting legislation and to remove redundant provisions.

The amendments involve the insertion of some broadcasting definitions and terms in the SBS Act to make it consistent with the Broadcasting Services Act 1992 (BSA) and the ABC Act, and to reflect SBS activities that are provided in the current converging digital environment. The Bill also removes redundant definitions in the ABC and SBS Acts about election periods.
Repealing spent provisions from Communications portfolio legislation

In addition, the Bill repeals a range of provisions from Communications portfolio legislation which are spent or otherwise unnecessary. Repealing unnecessary legislation within the Communications portfolio will ensure regulation only remains in force for as long as it is needed and that remaining legislation is easily accessible.

Conclusion

The Government is introducing the Bill at this time to allow for any inquiry into the proposed legislation, which would involve a call for submissions and potentially a public hearing, to be completed prior to the Winter Sittings. As stated previously, it is important that the SBS advertising measures are passed before the end of this financial year to allow SBS to generate additional revenue to meet the required savings from 2015-16, without affecting programming and services.

The Government is committed to repairing the Federal Budget and ensuring the public broadcasters are as efficient as possible. The Government has recently reformed the procurement of and funding arrangements for transmission services for the ABC and SBS to encourage the broadcasters to adopt more efficient practices and realise savings that can be directed towards producing new content and services.

Similarly, the SBS advertising measures in this Bill will allow SBS to earn additional advertising revenue which could in the future be used to fund new programming.

Government funding currently comprises around 75 per cent of SBS's operational budget. Measures in this Bill will also lessen SBS's dependence on government funding in the future.

DEFENCE LEGISLATION (ENHANCEMENT OF MILITARY JUSTICE) BILL 2015

The Defence Legislation (Enhancement of Military Justice) Bill 2015 will amend legislation relating to the military justice system. The Bill contains a number of modest but important amendments and reforms to the Defence Act 1903, the Defence Force Discipline Act 1982, and the Military Justice (Interim Measures) Act (No. 1) 2009.

Schedule 1 of this Bill clarifies the legal character and status of service convictions, by providing that a service offence is an offence against the law of the Commonwealth. It also provides for the situations in which convictions may be disclosed under the Defence Force Discipline Act 1982.

The Bill creates two new service offences, namely that of 'assault occasioning actual bodily harm' and 'unauthorised use of a Commonwealth credit card'. These two offences did exist previously, however it is necessary to convert the offences into service offences to ensure they can be appropriately prosecuted. The Bill clarifies the elements of the existing service offence of 'commanding or ordering a service offence to be committed', thereby ensuring that an abuse of military authority can be appropriately dealt with by commanders.

Additionally, the Bill replaces the system of recognisance release orders with a system of fixing non-parole periods. This will overcome the problems associated with the ad hoc nature of service tribunals, allowing discipline to be tempered in the imposition of punishments. The Bill also replaces the system of fines for persons who are not a member of the Defence Force with a penalty units system, which aligns this form of punishment with contemporary practice in the criminal justice system.

Furthermore, the Bill corrects several technical errors which limit the ability of commanding officers to refer charges to the Director of Military Prosecutions. This will also assist warrant officers and senior non-commissioned officers in properly dealing with minor breaches of discipline.

Schedule 2 of the Bill provides for the statutory recognition of the Director of Defence Counsel Services. The position is a senior military legal officer who is appointed by the Chief of the Defence
Force, and is responsible, among other things, for managing the provision of legal representation to accused persons.

The Bill also contains several machinery provisions that will assist the Director of Defence Counsel Services in the discharge of their statutory duties, as well as some minor technical changes.

In relation to Schedule 3, the Bill provides for the extension for another two years of the appointment of the current Chief Judge Advocate and the full-time Judge Advocate. The Judge Advocates are senior military legal officers appointed by the Judge Advocate General to either assist court martial members with the application of military law or to sit as Defence Force magistrates in the trial of accused persons. Judge Advocates are, therefore, central to the proper operation of the superior tribunals.

The extension of these appointments will allow the superior tribunals to continue operating while consideration is given to further reforms to the military discipline system.

The Bill contains a number of modest but important changes to the military discipline system and the overarching military justice system. The amendments and reforms demonstrate, once again, this Government's commitment to the security and defence of Australia and its interests. Moreover, these amendments signal this Government's commitment to modernising the military discipline system.

I commend the Bill.

SOCIAL SERVICES LEGISLATION AMENDMENT BILL 2015

This Bill will implement a measure announced in the 2014-15 Mid-Year Economic and Fiscal Outlook, ceasing social security payments to certain people who are in psychiatric confinement because they have been charged with a serious offence.

The people involved are primarily those who have been charged with a serious offence and who, due to a mental impairment, are in psychiatric confinement, including those who have been not convicted or considered not fit to stand trial.

This essentially represents a return to the original policy intention for people in these circumstances—that a person cannot access social security payments while in psychiatric confinement as a result of criminal charges. The current arrangements flow from a 2002 Federal Court decision, meaning that most people confined in a psychiatric institution may be considered to be participating in a course of rehabilitation and therefore attract social security payments.

In fact, it is the relevant state or territory government that is responsible for taking care of a person's needs while in psychiatric confinement, including funding their treatment and rehabilitation.

People will be subject to this measure if the serious offence with which they have been charged is a violent one such as murder, attempted murder, manslaughter, rape or attempted rape.

Similarly, the measure will apply in relation to offences under Commonwealth, state or territory law that are punishable by imprisonment for life or a period of seven years or more, where a loss of or serious risk to life, wellbeing or safety is involved.

Payments will resume in certain circumstances to people who are integrating back into the community.

A social security payment will continue to be payable to a person who is undergoing psychiatric confinement because the person has been charged with an offence that is not a serious offence, if a person is undertaking a course of rehabilitation.

Similarly, a social security payment will also continue to be payable if the person's psychiatric confinement is for reasons unrelated to the commission of an offence.

The measure is due to be implemented from 1 July 2015.
TAX AND SUPERANNUATION LAWS AMENDMENT (MEDICARE LEVY AND MEDICARE LEVY SURCHARGE) BILL 2015

This Bill amends the Medicare Levy Act 1986 to increase the Medicare levy low-income thresholds for singles, families and single seniors and pensioners in line with increases in the consumer price index. These changes will ensure that low-income households who did not pay the Medicare levy in the 2013-14 income year will generally continue to be exempt in the 2014-15 income year if their incomes have risen in line with, or by less than, the consumer price index.

In addition to providing a concession to low-income households, the Medicare levy low-income thresholds ensure that people who pay no personal income tax due to their eligibility for structural offsets — such as the low-income tax offset or the seniors and pensioners tax offset — do not incur the Medicare levy.

The changes to the thresholds mean that, for individual taxpayers with income under $20,896 in 2014-15, no Medicare levy will be payable. Single seniors and pensioners with no dependants who are eligible for the seniors and pensioners tax offset will not incur a Medicare levy liability if their income is less than $33,044, and couples and families (who are not eligible for the seniors and pensioners tax offset) will not be liable to pay the Medicare levy if their combined income is less than $35,261.

It is not proposed that the threshold for couples seniors and pensioners will be increased at this time. Couples who are eligible for the seniors and pensioners tax offset do not incur a Medicare levy liability when their combined income is less than $46,000. This threshold will remain sufficient to ensure that those eligible will not be liable for Medicare levy when they are not otherwise liable to pay income tax.

The increase in thresholds will apply to the 2014-15 year and future income years.

Full details of the measure in this Bill are contained in the explanatory memorandum.

Debate adjourned.

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

Judiciary Amendment Bill 2015

National Water Commission (Abolition) Bill 2015

Returned from the House of Representatives

Seafarers Rehabilitation and Compensation and Other Legislation Amendment Bill 2015

Returned from the House of Representatives

COMMITTEES

Corporations and Financial Services Committee

Reference

Messages received from the House of Representatives notifying the Senate of a resolution agreed to by the House to refer matters to the Parliamentary Joint Committee on Corporations and Financial Services for inquiry and report.
Parliamentary Joint Committee on Human Rights

Membership
Message received from the House of Representatives notifying the Senate of the appointment of Ms McGowan in place of Ms Rowland on the Parliamentary Joint Committee on Human Rights.

BILLS

Australian Border Force Bill 2015
Customs and Other Legislation Amendment (Australian Border Force) Bill 2015
Customs Amendment (Anti-dumping Measures) Bill (No. 1) 2015
Customs Tariff (Anti-Dumping) Amendment Bill 2015
Limitation of Liability for Maritime Claims Amendment Bill 2015
Construction Industry Amendment (Protecting Witnesses) Bill 2015
Defence Legislation Amendment (Military Justice Enhancements—Inspector-General ADF) Bill 2014
Quarantine Charges (Imposition—Customs) Amendment Bill 2014
Quarantine Charges (Imposition—Excise) Amendment Bill 2014
Quarantine Charges (Imposition—General) Amendment Bill 2014
Health Insurance (Approved Pathology Specimen Collection Centres) Tax Amendment (Norfolk Island) Bill 2015
Seafarers Rehabilitation and Compensation and Other Legislation Amendment Bill 2015
A New Tax System (Medicare Levy Surcharge—Fringe Benefits) Amendment Bill 2015
Tax and Superannuation Laws Amendment (Norfolk Island Reforms) Bill 2015
Health and Other Services (Compensation) Care Charges Amendment (Norfolk Island) Bill 2015
Aged Care (Accommodation Payment Security) Levy Amendment (Norfolk Island) Bill 2015
Private Health Insurance (Risk Equalisation Levy) Amendment (Norfolk Island) Bill 2015
Private Health Insurance Amendment Bill (No. 1) 2014
Health Insurance (Pathology) (Fees) Amendment (Norfolk Island) Bill 2015
Norfolk Island Legislation Amendment Bill 2015
Tribunals Amalgamation Bill 2015
Assent

Messages from the Governor-General reported informing the Senate of assent to the bills.
COMMITTEES
Finance and Public Administration Legislation Committee
Community Affairs Legislation Committee

Report

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (17:21):
Pursuant to order and at the request of the chairs of the respective committees, I present reports on legislation, as listed at item 19 on today's Order of Business, together with the Hansard records of proceedings and documents presented to the committees.

Ordered that the reports be printed.

Economics Legislation Committee
Community Affairs Legislation Committee
Legal and Constitutional Affairs Legislation Committee

Report

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (17:21):
Pursuant to order and at the request of the chairs of the respective committees, I present reports on time-critical legislation, as listed at item 19 on today's Order of Business, together with documents presented to the committees.

Ordered that the reports of the Economics legislation Committee and the Community Affairs Legislation Committee be printed.

BILLS

Renewable Energy (Electricity) Amendment Bill 2015
Second Reading

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

Senator BACK (Western Australia) (17:22): I thought I was coming in here to briefly speak on the animal protection bill, but of course I am delighted to speak on the Renewable Energy (Electricity) Amendment Bill 2015. Indeed, I make the point that all of us in public life, and certainly those of us in the Australian parliament are no exception, do aim to do good. But more than anything else, we certainly have an obligation to ensure that we do no harm. I fear there are elements within the context of what we are discussing this afternoon and that is that they are doing harm or they have the potential to be doing harm. I speak of adverse health effects of industrial wind turbines.

I do refer through you, Mr Acting Deputy President, to Senator Walters, who spoke before me on this matter—

Senator Waters interjecting—

Senator BACK: I am terribly sorry; I do apologise, Senator Waters. I apologise for not mentioning your name correctly. I now do correct that. But I particularly refer to the dismissal by Senator Waters of any possible adverse health effects on people affected by industrial wind turbines. Indeed, the Senate Select Committee on Wind Turbines is currently underway on
this very matter and, to me, it is disappointing that the Greens Party elected not to have a person participating in this inquiry.

I am also pleased to acknowledge to the Senate a commitment by the coalition coming into government now being honoured, with which I had some association—that is, a commitment to the expenditure of some $2.5 million to undertake independent medical research to establish whether there are adverse health effects from wind turbines. This is the first time, anywhere in the world, that that research will be undertaken. The NHMRC have responsibility for advertising for parties competent to undertake the medical research and they have done that. They have closed applications. I eagerly look forward to the appointment of an independent panel.

Again, if I could just draw attention to the comments of others who have asserted that NHMRC have already undertaken research and have reported that there are no adverse health effects. That indeed is not the case. There have been a couple of literature reviews, the most recent of which included only one acoustician and three epidemiologists but nobody with actual expertise in this field. So therefore one would be hard put to actually claim that no adverse health effects could be stated.

In fact, the CEO of NHMRC himself has indeed said that the outcome of that literature review was not to come up with that conclusion. I have been critical on a number of counts, particularly as to the number of papers that were rejected as part of the literature review. They are in fact not in the English language, including Japanese and Polish. Others were also excluded.

Indeed, whilst it is not my position to comment at all on outcomes of the Senate select committee and I do not intend to do so, I certainly can make my own observations about medical doctors who have agreed—acousticians on both sides of this argument—only in the last few days, in hearings in Melbourne and Adelaide, and have actually stated quite strongly that there are, at least, stress and annoyances. The chief medical officer of South Australia concurred with me the other day: if stress and annoyance lead to sleeplessness, which leads to depression, indeed that of itself is an aetiological cause of adverse health. People of course speak of whether it is audible sound or subaudible infrasound. In a sense, as the point was made the other day: noise is just unwanted sound. I hope that the independent medical research will in fact undertake research and come up with some results in that space.

I was very interested in the comments only last week of a well-regarded neuroscientist Professor Simon Carlile, from the University of Sydney. He said, 'There is a growing body of evidence, pointing to low-frequency infrasound directly affecting the human nervous system.' Carlile is internationally regarded in this space. He of course speaks in terms of physiology—the fact that the nervous system responds to low frequency. As to noise, the evidence, he says, is 'Yes, the nervous system can be activated at these frequencies.' But he said, 'Not in the traditional way of one interpreting hearing, but in fact the vestibular system within the ear involving itself in balance.'

We quite often hear the analogy used whereby if a group of people go out onto the ocean, two or three get seasick and the rest of them do not. It is not all that conducive to good relations for those who did not get seasick to turn around and say to the others, 'You're actually not suffering seasickness; there is nothing wrong with you.' It is what some people facetiously refer to as a 'nocebo' effect—in other words, you think you are going to get
seasick, therefore you get seasick and therefore you were not seasick. In fact, Carlile does not speak of it as an analogy at all; Carlile actually says, 'Physiologically, they may be very, very similar.' That is, the vestibular system being affected, suffering seasickness. 'They get seasick,' he said, 'because of the stimulation of the vestibular system and there seem to be quite significant variations of susceptibility to vestibular-induced nausea.' So I think, again, it is not helpful for people to make those comments.

I speak also of the impact of this bill. When it comes to renewable energy, there are many sources. We know that small-scale solar power will be unaffected by this legislation, and I think there is unanimous support within Parliament House for that. We know that the emissions-intensive trade-exposed industries will be protected by this legislation. But my concern, as we move to the target of 33,000 gigawatt hours, is that other forms of renewables—and, I hasten to add, other forms of renewables that have no, and can have no, adverse health effects—are largely being ignored in this debate. One is large-scale solar power. I would have pleaded for some allocation, within the decrease to 33,000 gigawatt hours, for large-scale solar power. The other one, of course, is hydroelectricity. I hasten to add as a Western Australian that this is an area in which WA have no interest because we have no hydro in the south; we do, of course, in the Ord River near Kununurra in the north. People say, 'There is no capacity for an increase in the construction of dams et cetera.' But I am not talking about that; I am talking about using new software, new technologies, to upgrade existing hydroelectricity schemes, including the Snowy Mountains Hydro-electric Scheme in New South Wales and Hydro Tasmania—

Senator Polley: And a great system it is, too.

Senator BACK: It is, as Senator Polley says, a great system. In my view, this legislation would have been enriched if there had been carve-outs allowed for the encouragement of hydroelectricity power, with existing technologies and existing assets, and large-scale solar power. There is also a wonderful project being undertaken by Carnegie at Garden Island, off the Western Australian coast. Carnegie, using wave motion energy, are providing a significant proportion of the power to HMAS Stirling at Garden Island, as well as providing them with water desalinated through the heat of the generation sets.

So I think this is an opportunity missed, and ministers and others are well aware of my views that we could have had and should have had an allocation for the development of those opportunities.

The commentary in this area has been interesting. The other day, I spoke on radio in Perth, and some fellow rang in and said that he was used to windmills on farms and they did not make him sick. Someone else said they were aware of very, very small turbines on people's roofs in the Canary Islands, and those people were not reporting illness; and, therefore, what I was talking about was a load of nonsense.

It may not be known, but it became patently obvious to the committee through our inquiry, that the modern industrial wind turbine has a pillar of some 100 metres in height, and the blades themselves are 100 metres long. So we are looking at the height equivalent of a 60-floor CBD high-rise building and, with the size of the blades, an area greater than an Australian Rules football oval—just the one turbine. They are enormous.
The Mayor of the Goyder Regional Council in South Australia, when he appeared before the committee the other day—and the region for which he has local government responsibility has a very heavy concentration of industrial wind turbines—made the observation, probably the plea, that when this technology was first developed years ago the opportunity was there for governments, Commonwealth and state, to sit down and discuss where these turbines might be placed so they were unlikely to have any impact at all on humans.

In the context of my own state, there are four major wind farm developments. There are two outside of Esperance, on the south-east coast, where it blows like a dog off a chain, but they are placed at nine and 10 miles away. It will come as no surprise to learn that the names of these wind farms are Nine Mile Beach and Ten Mile Lagoon—because they are nine and 10 miles from town. In Albany, those who saw the commemoration of the Centenary of Anzac would have seen the wind turbines in the distance. As the Mayor of Albany said the other day, nobody lives near them; they are about 20 kilometres from town. Walkaway wind farm is about 30 kilometres from either Dongara or Geraldton. The Collgar Wind Farm is about 35 kilometres from Merredin—probably a good distance if you are worried, as I am, about wind farms' possible adverse effects on people.

One of the other comments that are often made with regard to wind turbines, and I think it is one that needs to be stated, is that they will be able to immediately reduce carbon dioxide emissions. If you actually sit down and do the mathematics, you come to the realisation that the manufacturing itself of each turbine requires more than 250 tonnes of coal to produce the steel; and, when you do the carbon dioxide analysis, the payback is not for about 15 to 20 years. In other words, if a turbine operates as expected, for maybe eight hours a day—that would be optimistic—it will have to generate electricity for up to 15 to 20 years before it pays back the carbon emissions that were used in its construction or, indeed, in its being put into place. And you would understand, Mr Deputy President, that any structure which is 100 metres in height and of the width I mentioned a moment ago needs massive amounts of concrete and steel to support it. Those are points that very much need to be made.

The economics are of great interest. Why are we focusing on industrial wind turbines? It is because, in the time we have to achieve the objective of 33,000 gigawatt hours, it is industrial wind turbines, in the main, that are going to contribute to that renewable energy source. Conservatively, it is going to require somewhere around about 1,000 new wind turbines, possibly even more, depending on their size. Therefore, it is reasonable for us to examine the economics of these circumstances. The arguments go backwards and forwards. We were told in Adelaide and in Melbourne that in fact greater use of wind turbines and renewable energy, particularly through turbines, were driving the price of electricity down for the residents. I recall asking someone, 'Which state of Australia has the greatest number of turbines?' The answer is South Australia. Which is the state that has the highest cost of electricity to residences? Of course, it is South Australia. If you go to Europe, which country has the highest number of industrial wind turbines? It is Denmark. Which country has the highest cost of domestic electricity? And yes, you guessed it. Of course, it is the same place: it is Denmark.

You can also ask the question: if in fact wind turbines are driving the price of power down, why do they need any sort of financial support from the federal government? From this point of view, if they are so successful, surely it is not required. Only then do we come to learn that,
in fact, the claims made about the price of power going down as the amount of renewables increases come about as a result of the very generous Renewable Energy Certificates. As we all know, under the Constitution, land management, under which these sorts of planning decisions are made, is quite rightly the role of the states, not of the Commonwealth government. But people need to be aware that, on average, depending on how much electricity they generate, besides being paid for the electricity that the turbines generate there is also a system of Renewable Energy Certificates. It is the Clean Energy Regulator who oversees the allocation of certificates, and it is true to say that these certificates actually do not cost the taxpayer anything, because the certificates find their way through to the retail price of electricity. Therefore, that cost is met by consumers. But the last time I had a look there would not be too many taxpayers who themselves are not consumers. So I think it is a very moot point to say that these costs are not borne by taxpayers. Indeed, they are.

The Clean Energy Regulator and I had had some spirited discussions in Senate estimates, and she continues to tell me that whilst the act seems to require the Clean Energy Regulator to be satisfied as to the compliance of industrial wind turbines, and indeed other forms of clean energy, in fact it does not. At the moment, the only requirement under legislation that the Clean Energy Regulator has is to be satisfied on the economics. In other words, if the wind turbine operator said, 'We generated X amount of electricity last year,' so long as the Clean Energy Regulator is satisfied with that part of the audit process the certificates flow. I would plead very strongly that there is a greater role, and based on the Clean Energy Regulator's submission and appearance before the committee, I think she is also of that view. In other words, that greater role should be that the Clean Energy Regulator needs to be satisfied with compliance.

This afternoon's discussion does not allow me to go into any detail at all about compliance, except to say there is a long and sad history of lack of compliance: of turbines being wrongly placed and of approvals being given in arrears or backdated. This does not do very much for their credibility or for the levels of confidence within the wider community, particularly the community of affected people. Therefore, I think we need a lot more discussion on the overall economics. I plead that we need to widen the argument.

One of the other areas is biomass. I know that will be discussed in the committee process, and I look forward to contributing in that area, because I firmly believe that if we can use wood waste, particularly from the plantation industry, and if we can use the waste from the sugarcane industry in those areas on the east coast where the sugar is grown, then that will be of tremendous benefit.

In the last few seconds I want to pose this question to the sceptics: why is it that a family who have been in the same farmhouse for five generations would all of a sudden pretend to have some adverse health effect? Why would somebody who has made a lifestyle choice to shift to the Barossa Valley and found their life destroyed lay these claims? Consider a turbine host who has been receiving multiples of the $10,000 per annum that most get for having turbines on their properties. Why would they put their hands up and say, 'I'm sorry, I can't accept the funds any more'? Consider the farmer who cannot spray his crop anymore because of the turbines, and consider the retirees who leave their communities with no value in their land. There are questions to be asked.
I am pleased to speak on the Renewable Energy (Electricity) Amendment Bill 2015 because it gives me an opportunity to talk about the enormous opportunities for Australia in renewable energy, and about how Labor believes in, and has supported, a strong renewable energy industry. It also gives me a chance to talk about how the Abbott government has carelessly sabotaged the industry, which has led us to the situation we are in today and to this bill now before the Senate.

Australia should be a world leader in renewable energy. With a huge land mass surrounded by water, we have access to an abundance of wind, wave, hydro and geothermal energy. We also have world-leading expertise in renewable energy, and during Labor's time in government jobs in the renewable energy sector tripled. More than $18 billion was invested in the sector, and the number of homes with rooftop solar grew from 7,000 to over 1.2 million. There is no doubt that Labor has a strong commitment to renewable energy. Renewable energy, inevitably, must play a strong part of our future. It is an interesting fact that the amount of energy delivered by the sun to the earth in one hour is almost enough to meet the world's energy consumption needs for one year. The energy from sunlight is then transferred to other natural sources such as wind. I think this fact demonstrates the enormous potential there is to harness this energy, rather than rely on the finite energy source that fossil fuels provide.

If our planet is going to survive and be habitable, the world has no choice but to reduce carbon pollution. Climate science tells us that the current worldwide pledges to reduce carbon emissions may not be enough to prevent two degrees of warming, which is considered the threshold for catastrophic climate change. Renewable energy is undoubtedly the way of the future. Even if Australia does not aggressively pursue renewable energy, circumstances will eventually force the entire world to adapt to relying mostly, if not entirely, on renewable sources for our energy needs. Those countries that invest heavily in renewable energy will be the ones that are able to take advantage of the economic opportunities of selling their skills, experience and technology to others. This critically important industry employs more than 21,000 Australians, including almost 1,000 people in my home state of Tasmania.

I am particularly excited about the opportunities a strong investment in renewable energy has for Tasmania, because Tasmania has long been at the forefront of renewable energy in Australia. Our hydro-electricity scheme was established as early as 1914, and the company once known as the Hydro-Electric Commission—now Hydro Tasmania—is one of the oldest power companies in Australia, having celebrated its centenary only last year. The Tasmanian hydro-electric scheme is ingrained in our state's history. It goes back to 1895, with the opening of the Duck Reach Power Station only seven years after the first power station was built in the Southern Hemisphere. A post-Second World War boom in dam construction led to thousands of migrants, mostly European, coming to Tasmania. This has had a permanent positive impact on the social fabric of the state. There are generations of Tasmanians descended from migrant Hydro workers of English, German, Polish, and Italian origins. My home state has also been at the forefront of wind energy in Australia. The first Tasmanian wind farm, Huxley Hill, was built on King Island in Bass Strait in 1988, and was the second commercial wind farm in Australia. Tasmania has since developed the Woolnorth and Musselroe Wind Farms with a generating capacity of 140 and 168 megawatts respectively.
These wind farms were developed by a joint venture between Hydro Tasmania and the Chinese company, Shenhua Clean Energy, an entity known as Woolnorth Wind Farm Holdings.

Hydro Tasmania has now become a leader in the research and development of other forms of renewable energy, such as geothermal, tide and wave energy. Tasmanian sources an average of 87 per cent of its electricity from renewable sources every year, and Tasmania has the potential to become the first state in Australia that sources 100 per cent of its electricity from renewable resources. Renewable energy is vital to the economy of my home state, especially as we export electricity from renewable sources via Basslink. So not only does renewable energy policy have an impact on the economy of my home state; it also impacts on public services, since Hydro Tasmania returns dividends to the Tasmanian government. To illustrate the impact this has, the Abbott government's decision to abolish Labor's clean energy future legislation impacts on the Tasmanian government's budget by $70 million per year. I support renewable energy, not just for the sake of Australian jobs and the economy but because of the unique implications it has for the state I represent.

The future of renewables in Australia is a risk because we now have a government that does not believe in renewable energy. It is of little surprise that we get this kind of approach from a government whose treasurer describes wind farms as 'utterly offensive' and whose Prime Minister who says they are 'visually awful'. Mr Abbott also said last week that he wished the Howard government—in which he was a minister—had never implemented the Renewable Energy Target policy. Bizarrely, in an interview with Alan Jones Mr Abbott claimed that changes to the RET—the changes we are debating right now—were designed to reduce the number of wind farms in Australia. Mr Abbott also said that he would have liked to have reduced them a lot further. When Mr Jones raised the potential health impacts of wind farms on people living nearby, Mr Abbott responded, 'I do take your point'. Yet the link has been examined by the National Health and Medical Research Council, who have found that there is no consistent evidence that wind farms cause adverse health effects. Coming from a former health minister, Mr Abbott's denial of medical research is breathtaking. The Prime Minister also nailed his colours to the mast in 2013 by proclaiming that the Renewable Energy Target is driving up power prices. Yet his own hand-picked review panel found that not only is the RET putting downward pressure on electricity prices, it is also driving investment in renewable energy, creating jobs and cutting carbon pollution. It is utterly bizarre that the review could find that the RET is playing such a positive role in Australia's economy and environment—and yet go on to recommend that the RET be either significantly cut or abolished. At the same time, it is hardly surprising, given that a known climate change sceptic was appointed to the review panel. This is exactly the recommendation the government wanted—because they do not really believe in renewable energy anyway.

The Abbott government's record speaks for itself. They slashed the budget and reduced a $600 million commitment to the solar roofs and towns and schools programs to just $2 million. The Australian Renewable Energy Agency had its budget severely cut in the 2013 MYEFO, and it was then targeted for abolition in the 2014 budget. And this government has adamantly refused to either accept an emissions trading scheme or implement one of its own, despite most economic and environmental experts agreeing that it is the most efficient and effective way to cut carbon emissions—and despite the fact that an emissions trading scheme
was bipartisan policy until Mr Abbott rolled Mr Turnbull for the leadership of the Liberal Party. The government's broken promise on the Renewable Energy Target is the latest in a series of policy backflips that reflect the climate change denial and lack of commitment to renewable energy by those opposite.

The Abbott government has overturned over a decade of bipartisanship on renewable energy by breaking its promise to retain Labor's Renewable Energy Target of 41,000 gigawatt hours by 2020. In fact, the government proposed to cut the RET by over 40 per cent. Since the government announced this backflip, investment in renewable energy has fallen by 88 per cent, while it has increased by 16 per cent in the rest of the world. Over that same period, China's investment in renewable energy has increased by 33 per cent. In 2013, Australia was ranked in the top four most attractive places to invest in renewable energy, along with Germany, China and the United States. Now we have fallen to tenth place on the list. Despite the fact that the government cannot universally cut the RET, they have effectively hobbled the industry anyway.

Those of us who have been in business understand that you cannot make long-term investments in an uncertain investment environment. That is what this government has done with their departure from a decade of bipartisanship on the RET. Either the government do not understand the importance of certainty to the renewable energy industry, or they do understand it but simply do not care. I am assuming they either do not understand or do not care, because the only possibility—one which is almost too shocking to contemplate—is that the government's backflip on the RET was a deliberate attempt to sabotage the industry. What makes the government's attitude especially perplexing is that renewable energy and the RET are quite popular with the Australian public. Australians overwhelmingly support renewable energy because they recognise the incredible economic and environmental benefits it delivers.

While Labor was keen to support the previous bipartisan commitment to a RET of 41,000 gigawatt hours by 2020, we have had to negotiate a reduced RET with the government in order to return certainty to the industry. This brings us to the bill we are debating today. It is clear that this is not the bill that the government would rather be introducing. They would rather be introducing legislation that would further substantially reduce the renewable energy target. If we consider the words of the Prime Minister last week, he would probably rather be introducing legislation to completely abolish the RET.

Labor has had to negotiate a compromise to make sure that we can give certainty to the renewable energy industry. The elements of the agreement include a large-scale renewable energy target of 33,000 gigawatt hours by 2020; no change to the small-scale solar scheme; a full exemption for emissions-intensive, trade-exposed industries; and removal of the two-yearly reviews of the RET. I am pleased that the following outcomes have been achieved through the negotiations: no change to the small-scale solar scheme, which includes rooftop solar and solar panels for small businesses such as nursing homes; full exemption for emissions-intensive, trade-exposed industries, which relieves some pressure on those industries that are enduring downturns and job cuts; and the removal of two-yearly reviews, which provides the long-term certainty the industry needs.

Throughout the negotiations, Labor has listened to advice from the industry on what its needs are. The revised renewable energy target of 33,000 gigawatt hours will see 25 percent of Australia's energy generated from renewable sources by 2020. The Clean Energy Council,
which proposed the compromise target, predicts that it will drive over $40 billion in investment and create more than 15,000 jobs. This bill reflects the outcome of our negotiations with the government. By passing this bill, we can look forward to a strong and certain future for Australia's renewable energy industry. But it is a great shame that the Prime Minister, in the interview with Alan Jones I mentioned earlier, said he was disappointed with the deal the government struck with Labor and that he would prefer to cut the RET further. In other words, this Prime Minister, who promised to create a million jobs in five years and two million jobs in 10 years, was actually expressing a desire to do more damage to an industry which creates thousands of jobs and drives billions of dollars in investment.

I am pleased, though, that through this bill the renewable energy industry can continue to move forward with certainty, attracting billions of dollars in investment and creating thousands of jobs. Labor will use the revised target as a floor to build on. We will work with the sector to increase the renewable energy target out to 2020 to bolster investment, specifically in large-scale solar. Before the next election, we will be making announcements about our genuine goals for the industry beyond 2020. In the meantime, we will be consulting with industry and the experts about the detail of those announcements.

There is doubt that the renewable energy industry has a bright future under Labor. As I said earlier in my contribution, it makes sense for Australia, with our skills, knowledge and natural resources, to have a thriving renewable energy industry. Labor wants to see Australia return to its previous position as a global leader in renewable energy generation, research and development. We can only hope that, for the sake of the industry, jobs and the environment, the Abbott government will abandon its attacks on the industry and we can return to the bipartisanship on the renewable energy target that we previously enjoyed. However, I fear that, if the recent comments of the Treasurer and the Prime Minister are anything to go by, it will probably be a long, long time before the coalition is dragged kicking and screaming into the 21st century. I am in no doubt that, despite the intransigence of those opposite, a strong renewable energy target continues to enjoy the overwhelming support of the public. Renewable energy is the way of the future, and Labor believes it has a big part to play in Australia's future.

Senator MILNE (Tasmania) (17:57): I rise this evening to totally oppose this legislation, the Renewable Energy (Electricity) Amendment Bill 2015, that has appeared before the Senate. It is an absolute disgrace that at a time of climate emergency, when around the world countries are scrambling to increase the amount of renewable energy in their systems and to decrease the amount of fossil fuel, here in Australia we are the first developed country to formally reduce our renewable energy target, on top of being the first developed country to abolish a carbon price. We are global pariahs when it comes to climate action leading into Paris.

I want to put to bed immediately this notion that there had to be some sort of compromise to deliver certainty. That fails absolutely to understand that the government has no intention of delivering certainty. Anyone who thinks that 33,000 gigawatt hours now provides certainty for investment is kidding themselves absolutely. I want to explain how this happened. Let's go to the Tea Party Republicans in the US. They do not believe in compromise. They go after everything that they can get, pocket whatever they can and then go after the rest. They have no intention of stopping where they are. That is clearly the modus operandi of the Abbott
government when it comes to renewable energy, because the Abbott government is the wholly-owned subsidiary of the coal industry in Australia. Anyone who doubts that only has to see what this government has done. The fact of the matter is that renewable energy in Australia is undermining the business case for coal. That is it, pure and simple.

On top of the reduced demand that has been occurring and the rollout of rooftop solar, we had the coal generators in Australia in trouble—9,000 megawatts too much of energy in the system—and we had a choice. We could shut down coal fired power now without in any way jeopardising energy security in Australia and actually bringing down prices to consumers, because renewable energy is bringing down the wholesale price of power; or we could try and kill renewable energy and increase the price of energy to consumers, and that is exactly what this legislation is doing. I am afraid it shows a level of naivety beyond all measure to hear the Labor Party stand up here saying that they had to compromise to deliver certainty.

There is no certainty, and if anyone needs any proof of that, just have a look at what the Prime Minister had to say last week. He said: 'The Renewable Energy Target as currently agreed, mandating that 33,000 gigawatt hours of electricity be produced from renewable sources including wind, was merely the lowest number the government could achieve within the current parliament.' They have no intention of stopping here. They want this abolished altogether. If they could have gone down further, they would have, and they would have gone as low as to the point of abolishing the RET altogether. That is their agenda. Anyone who thinks that they are stopping at 33,000 gigawatt hours has not listened to how they are intending to prop up fossil fuels.

Let me go to something else the Prime Minister said: 'What we did recently in the Senate was reduce, reduce: capital R-E-D-U-C-E the number of these things that we are going to get in the future'—that is, wind turbines; that is what he was referring to. He said, 'I frankly would have liked to have reduced the number a lot more, but we got the best deal we could.' What does that tell you? It tells you it is the best deal they can get at the moment to get it down to 33,000 gigawatt hours, but it is not over. They have put that in their back pockets and they are going to abolish the Renewable Energy Target at the first possible opportunity that they think they will get the numbers to do it. So I cannot believe anyone is running around suggesting there is any certainty or that there will be certainty delivered to the renewable energy industry if and when this absolutely flawed legislation—contrary to what the world needs, let alone what this country needs—actually passes.

I want to go to the reasons why the small target was not changed. It had nothing to do with compromises made in here; it had everything to do with the campaign that the Solar Council ran in marginal seats around the country, where they stood up and made it very clear, with contributions from people who are selling solar panels, students who are studying in the new renewable energy field, people working in retail in the renewable energy sector, people standing up and saying, 'This will cost us jobs, and what is more you hold this seat by one or two per cent, and if all the people with solar PV on their roof change their vote, we can take this seat from you.' It was the marginal seats campaign that protected small-scale solar, not any so-called compromise that has happened between Liberal and Labor. It was Bill Shorten, the Leader of the Labor Party, who stood with me on the platform in Barton and said that Labor was not for turning on this issue. Well, Labor has turned.
At what point did this occur? The people who gave cover to everybody to start this downward process that got them as low as Tony Abbott, the Prime Minister, could get them to go—and he will continue his attack on renewable energy—were of course the Clean Energy Council. They were the ones who gave cover to this happening, and then out came the AWU, saying that they wanted exemptions for aluminium smelters, but that was not enough for the Clean Energy Council. They said, 'Why don't we give exemptions to all the trade exposed industries? Why would you do that? Why would you go down that path, especially seeing that aluminium smelters have been subsidised by the community forever? With bulk power contracts, they have never paid the wholesale price for power ever anywhere in the country. Because of the currency exchange rate, they have had the biggest windfall gain that they could have expected in recent times. They have had a massive windfall gain with that change to the exchange rates.

We have a situation where the AWU came out wanting aluminium and the Clean Energy Council said: 'Let's go further. Let's give all the energy-intensive trade-exposed a 100 per cent exemption.' What does that mean? I have not heard the Prime Minister out there talking about power bills. Why? Because every trade exposed industry you let off paying for their renewable energy certificates means that the community has to pay. The community has to pay more now because the energy-intensive trade-exposed industries have gotten off the hook. I will be very interested in the definition of what constitutes energy-intensive trade-exposed as to whether the petroleum and gas industries get their way and have an expanded definition of the level of exemption they can get not only for their LNG facilities but also for the gas fields and what power goes on in those sectors. It will be very interesting to see where that ends up.

We have a situation now where the Clean Energy Council is facilitating a race to the bottom. The Prime Minister is saying, 'We want as low as we can go, as we can possibly secure in this parliament,' and the Labor Party have facilitated that to get down to 33,000 gigawatt hours and a total exemption for all the energy-intensive trade-exposed, increasing the price to the community and squeezing out large-scale solar.

The fact of the matter is that renewable energy has won the energy race this century. Solar has won. What is happening in this country though is that we are missing out on large-scale solar thermal, the sort of thing that gives hope and excitement for new jobs and new investment, for careers for young people. They are all offshore now. They are going offshore, where they are building a fantastic facilities in the United States, in Spain, in China. All over the world large-scale solar is being built, but not in this country, because of the attitude of the government and the AWU going along with the exemption for the trade exposed.

Now let me get to the decision by the government to include forest furnaces. This is a ludicrous proposition: the logging of native forests in order to burn them to generate energy which is then called 'renewable'. We know that the best thing you can do for the climate is to save the carbon-dense native forests, which are carbon stores. If you were interested in looking after biodiversity in the face of the extinction crisis we are now suffering and interested in securing carbon in the landscape, you would not log native forests. As a result of the world deciding it does not want to log native forests, the bottom has dropped out of the market for native forest woodchips. That is why Forestry Tasmania has made such a mess of it and is in so much debt. Forestry Victoria and all around the country want to be propped up
by a subsidy because they have no market for native forest woodchips. So along comes the government, no doubt with the support of the CMFEU, to give renewable energy certificates to native forest loggers.

Let me tell you about Forestry Tasmania. It is so far in debt that they should be trading insolvent if it were not for the Tasmanian government giving them a letter of comfort. Whilst the Labor Party federally says that it opposes the logging of native forests for forest furnaces, Bryan Green, who is the leader of the Labor Party in the Tasmanian parliament, has been urging Bill Shorten to support this particular legislation. The Labor Party in Tasmania want forest furnaces; they have always wanted them and they want them now. It is bad enough that the Tasmanian government took $30 million out of Networks Tasmania, a GBE, and transferred it to Forestry Tasmania, but now in the budget they have extended their line of credit by another $10 million to $41 million. The logging of native forests is an ideological debt disaster. Now the federal government wants to prop them up by logging native forests. Anyone who suggests that this is about waste fails to remember the past; if you fail to remember the past then you are condemned to repeat it. What we are seeing here is 90 per cent of any coupe that is logged going to woodchips—90 per cent. We are talking about burning 90 per cent of what comes off a coupe in a forest furnace, if this legislation goes through. Any suggestion of 'Oh, it's only twigs and leaves and bark' is nonsense. It is 90 per cent of a coupe that will go into a forest furnace; and it is wrong.

We have run big consumer campaigns and we will run another big consumer campaign. People might remember burnt koala certificates. Perhaps the Clean Energy Council might like to think for a moment about the reputational damage to renewable energy that they are dishing out by failing to force the government on this issue. Again, I come back to the Labor Party. Even though Bryan Green, the leader of the Tasmanian party, wants it, there were two things that the government included in this: one was the two-year reviews; the other was to log native forests to generate energy. Labor came out and said they would make one a condition of doing this deal, but not the other. If you were serious about not logging native forests, why would you not have made both deal breakers? There is no answer to that, because the reality is that Labor at the state level is very happy to see native forest logging go on and be propped up by trying to include it in getting renewable energy certificates for logging and burning native forests and driving species to extinction. That, indeed, is what this will do if they get away with it.

Before the last election I went to see the Labor government to say: 'We need to get rid of these two-year reviews from the Renewable Energy Target.' The reason it was not possible then is that, had we tried to do that, Rob Oakeshott, an independent member at the time, indicated that he would move for the inclusion of native forest logging in that and he would have had the support for the government to do it. That is why it did not get done before the last election. This has been on the agenda for some time. The Greens have held it out for a long time, and we should be holding it out now, because every certificate that you generate from logging and burning native forests is a certificate that you are using to take from future generations the biodiversity of our forests and the carbon-rich density of our forests. It an absolute act of vandalism if that is allowed to occur. That is why we should be dumping the schedule which they have shoved in this bill that would give renewable energy certificates to forest furnaces which generate energy from the burning of native forests. It is absolute
destruction of the world's biodiversity, and it will be yet another indication globally of just how backward Australia is.

I want to return to the bill in a big-picture sense before closing my second reading remarks. Australia has a dig-it-up, cut-it-down, ship-it-away economy. The Greens have argued for a very long time that we need to respond to the global warming emergency; we need serious targets. We have said 100 per cent renewable energy by 2030 is achievable in this country. What that would do for jobs and investment is mega. That would give the kind of direction and certainty that you need, especially if it is accompanied by a reduction target for greenhouse gas emissions, consistent with the science. That is why we have called for net carbon zero by 2040 and 80 per cent reduction by 2030. It is why we have said as far back as 2009: 'Let's go for a 40 per cent reduction by 2020.' If we were in that ballpark now, we would be laughing—Australia would be sitting on a jobs-rich boom. We would be giving so much hope to young people who want to go into universities to study these technologies and who want to make sure that we can convert our cities to a low-carbon future. They want to be supporting more public transport, the rollout of electric vehicles, the rollout of solar at residential and at utility scale with solar-thermal plants. They want to see windfarms; they want to see wave power being generated; they want to see all the new technologies. One young woman stood up in one of these forums and said she was a fifth-year solar engineering student. She had put her whole faith in addressing global warming by using her intelligence and her skills to roll this out. Now she will have no option but to go overseas. That is what we are seeing around the country.

By attacking the renewable energy target like this, destroying certainty, taking away any hope that this country will ever get on track to reducing greenhouse gases to the level they need to be to be consistent with the science, you are taking away hope from the next generation. You are denying rural and regional Australia the massive rollout of jobs that will come with renewable energy. It has already come with renewable energy.

As for this absolute nonsense about wind farm sickness, what a load of garbage. How come wind farm sickness only strikes people in countries where people speak English? How ridiculous is it? It is absolutely ridiculous. The Americans have rolled it out, it is happening in Australia and they have it in the UK. It is just ridiculous.

At the same time, you have the Senate Community Affairs References Committee reporting on the impacts on air quality and human health from small particulate matter, especially from coal fired power stations. What does the government do about that—a genuine health issue with a proven medical effect? The government just say, 'Noted. None of our business.' Where are the increased performance standards for coal fired power stations? Nowhere. There is just this ongoing, ridiculous, concocted attack against renewable energy. It is going on against solar. It is only a matter of time before they come up with a process of charging people to leave the grid. What gives me great hope is the disruptive nature of battery technology as people say, 'We are over the fact that the government in this country have actually worked to destroy renewables.'

I come back to the final and most important point, the one I started with—and that is that this will not deliver certainty. This is just a milestone on the way to destroying the renewable energy target. It is naive in the extreme for anyone to put a dollar into renewable energy on this basis when you have a Prime Minister saying, 'This is as low as we could get in this term
of government, but we would have liked to have reduced it further.' Yes, they would and, yes, they will if they get the slightest chance. We have heard the Labor Party say, 'We are considering a higher target.' Where is any kind of rigor around that? We have seen no numbers and no commitment, just talk and a cooperative arrangement that will see renewable energy set back. There was no reason to go below 41,000 gigawatt hours and there is no reason to do it now.

Senator CANAVAN (Queensland) (18:17): You can tell that the Greens do not have a lot of experience running businesses because their prescription for job creation and greater economic activity is to find the most expensive way of doing something. It is not in dispute that renewable energy is more expensive. Indeed, Senator Milne admitted that in her contribution. She admitted that when she said that, by exempting the aluminium industry, we are going to increase the power bills of consumers around the country. So renewable energy is a more expensive form of energy. According to the Greens and Senator Milne, by doing the same thing in a more expensive way we will somehow have a stronger economy. It is not a prescription that would be commonly formulated. It is certainly not one that they would put in that context. But sometimes in this place we make things so complex when they should be much simpler.

Whilst the Renewable Energy (Electricity) Amendment Bill 2015 is a complex piece of legislation, it has a very simple prescription at its heart. The renewable energy target mandates that the producers of cheap electricity in our country must buy each year a set amount of expensive electricity. The simple truth underlying this legislation is that renewable energy is expensive. If it were not expensive then the renewable energy sector would not need this legislation. We do not have a shortage of cheap electricity in Australia. We have ample resources of coal and gas. Traditionally, that has meant we have some of the cheapest power prices in the world. Cheap power means dear wages because cheap power helps improve productivity and provides businesses with the ability to invest in more capital and more highly skilled workers.

But renewable energy is somewhere between double and five times the cost of our fossil based resources. We sometimes hear that solar is now competitive with fossil fuel based electricity, to which I respond, 'Good. We can remove all of these subsidies we currently have to support renewable energy industries if that is the case.' But of course the Greens do not want that.

As the Productivity Commission stated about the renewable energy target in 2011:

The Commission has assumed that the LRMC—long-run marginal cost—

of wind power is A$110/MWh. This is based on data from Frontier Economics (unpublished data) that suggested that the LRMC of wind power projects in Australia was mostly in the range A$100–A$120/MWh.

The average wholesale price of electricity was assumed to be A$50/MWh (section D.1). This implies that for wind power projects to meet their LRMC, the REC—renewable energy certificate—price would need to be around A$60.
That is hard for people to visualise, but let's try to visualise something a bit more tangible. If you have a 3.5-megawatt capacity wind turbine, you can potentially produce around 30,000 megawatt hours a year. You times it by 24 and by 365 and that gives you the potential megawatt hours that that turbine can produce a year. In this case, it is around 30,000. In fact, most wind turbines in Australia produce power only 30 per cent of the time, so you would only produce just over 9,000 megawatt hours a year. If the RET price has to be $60 a megawatt-hour to produce electricity, that means that that wind turbine would get $551,000 from other energy consumers.

When you next drive past wind turbines on your travels, just remember that each one of those turbines is getting something like half a million dollars courtesy of other energy users and customers in this country just to operate. The average life of a turbine is around 20 years. That means that they are getting around $10 million over their lifetime. That is $10 million courtesy of other power users. That is just one turbine. We are told that we are going to have to install more than 1,000 of these things to meet this target that we are going to legislate here.

Some argue, though, that the renewable energy target will deliver cheaper energy over time. That last bit is important—that it will be not now but 'over time'. Whether or not that will actually happen is a gamble. It is a risk. There is no guarantee in our legislation that it will become cheaper. Those who argue that this legislation is good for the economy are effectively taking one big punt that some forms of renewable energy will come down like manna from heaven in the future and be cheaper. That is a huge risk to take with our economy.

We have seen this play out before and it ended in tragedy then, too. For a long time people in Australia argued that we should have high tariffs on cars, clothing and whitegoods to help protect local industries and that, over time, those industries would become more competitive and we could remove the tariffs. Well, that never happened—and I fear the same result will occur with our renewable energy industry, if we maintain as high a renewable energy target as we have had. Worse, at least high tariffs did protect jobs in labour-intensive industries like manufacturing. But renewable energy is not a particularly labour-intensive form of energy provision. Much of the construction of the turbines occurs overseas, and, once the turbines are installed, there are very few people to work out around the turbines. Indeed, some of the management of the turbines that exist in Australia occurs overseas in the home country of their design.

So, if this legislation is not to create jobs, what is it for? One of the objects of the Renewable Energy (Electricity) Act is 'to reduce emissions of greenhouse gases in the electricity sector'. However, renewable energy is a particularly costly way of doing that. According to the Productivity Commission, the implicit abatement cost of the large-scale renewable energy target is between $37 and $111 per tonne. This is a much higher price than the less than $15 per tonne that was recently achieved through the coalition's Direct Action policy. The Productivity Commission's estimate also assumes that renewable energy has no emissions itself, which is not correct, given that wind turbines, for example, are made of steel and need enormous amounts of concrete to hold them in place. Some estimates say that each megawatt of wind power produced takes around 460 tonnes of steel. Each megawatt of wind power also takes around 870 cubic metres of concrete. Now, let us compare that to something else—natural gas. Natural gas takes 27 cubic metres of concrete for each megawatt of power.
and 3.3 tonnes of steel for each megawatt. I wonder which one is more environmentally sustainable and friendly? The renewable energy target gets less bang for more buck. That is why I think it is a good thing that this bill reduces the target and exempts more industries from having to purchase renewable energy certificates.

This new law will ensure Australia’s emissions-intensive, trade-exposed industries will be fully exempt from the increased costs imposed by the renewable energy target. These costs are imposed on industries like the aluminium industry in Central Queensland. There are two major aluminium refineries near Gladstone that employ almost 2,000 people. When Senator Milne talks about jobs and the aluminium industry, she might want to reflect on the 2,000 people in Central Queensland whose full-time jobs rely on cheap power. If we remove cheap power, they will no longer have jobs. Central Queensland is already doing it tough after a slowdown in the coal mining sector. It does not need the double whammy of pressure on its aluminium industry too. I welcome that this legislation will remove this sword of Damocles that has been hanging over the head of the Gladstone economy.

I have been fortunate enough to attend five hearings of the Senate Select Committee on Wind Turbines. Of course, I will not pre-empt the findings of that committee here today. But I have been to some of these people’s homes; I have heard their genuine concerns about the impact of wind turbines. These people are normal, everyday Australians. I do not know if Senator Milne has gone and spoken to some of these people before she dismisses their concerns as ludicrous, but I think she probably should have an obligation to do that. You can go and talk to these people—people like Rikki Nicholson from Cape Bridgewater. He has had to move out of his home. He and his wife have moved out of their home because of the impact of turbines. There is Mr David Mortimer from Lake Bonney in South Australia. His wife has suffered so much that he sold his farm so he could live further away from the wind turbines. And Mr Ron Jelbart, from east of the Macarthur wind farm, has badly disrupted sleep, and his son also suffers similar complaints, including tinnitus, when he visits their farm.

The stories go on and on. Last week we had a couple, Clive and Trina Gare, who are hosts of wind turbines. They have been paid around $1 million by the wind turbine industry. But they say they would never have them again, given the problems they have caused them, particularly in terms of their sleeping. I do not know if wind turbines have caused these complaints. I am not a medical professional. But it does seem coincidental that there are so many people willing to go so far and at great financial cost to move from their homes and disrupt their lives because of the impact they feel has been caused by wind turbines. I certainly believe that there are legitimate questions, particularly around the impact of infrasound and low frequency noise that is generated by wind turbines.

What has concerned me more than the concerns of the community, though, is the dismissive and contemptuous attitude of some in the wind industry. Multiple wind turbine operators have said to the committee that because they comply with all regulations they have no further obligations to the residents that claim to be affected. That is not true. Under the long-established tort of negligence, persons engaged in supplying goods and services have a duty of care to take reasonable actions to prevent foreseeable damage occurring. Some in the wind industry are not being reasonable. A representative from one wind company tabled a cartoon belittling the complaints of affected residents to the Senate committee. A cartoon!
Another wind industry staffer has tweeted that those complaining are 'nutters'. This is not the behaviour of an industry that is taking their responsibilities to the wider community seriously.

Given that the wind industry does not seem to be serious about taking their obligations into account, we should be. We should not be giving each wind turbine $500,000 a year through this legislation without then making sure that they are not doing harm to people and causing adverse health impacts. While the wind industry does not seem to believe that it has an obligation to do no harm, I think we do. Until we know more about the impact of wind turbines, particularly the impact of infrasound and low frequency noise, we should have a moratorium on the accreditation of new wind turbines under this legislation. Under division 3 of this legislation, the regulator has the power to accredit new wind turbine operators. That should not occur until we understand the full impact of these things. It should be on our watch that we make sure that we do not do harm to people. We must do more research into this before we go down the path of funding through enormous amounts of government subsidies, or legislation that imposes subsidies, that potentially cause harm.

Senator LUDWIG (Queensland) (18:28): I was very interested in the contribution by Senator Canavan. If he does believe what he has been saying about wind turbines, then I suspect we will see an amendment from him to that effect in this debate.

Senator Cameron: From the doormat?

Senator LUDWIG: I will not go into that. I do call them that myself every so often, but I do not think they will do anything significant in this area. But can I remain on point. The Renewable Energy (Electricity) Amendment Bill 2015 is a further testament of the Labor Party's commitment to the renewable energy sector and to provide certainty for the industry going into the future. I want to note that this has been a drawn-out process. The Howard government back in 2000 started the process. It was well received then, so it is surprising to me now to hear the contributions the National Party and the Liberals opposite are making.

Sitting suspended from 18:30 to 19:30

Senator LUDWIG: I am led to believe the National Party, if not the Liberal Party, are crabbing away from their policy position on this. The bill will ultimately reduce the large-scale renewable energy target—LRET—from 41,000 gigawatt-hours by 2020 to 33,300 gigawatt-hours, with this level to be maintained until 2030. It will allow for a full exemption to be provided for electricity used in prescribed emissions-intensive, trade exposed activities so that they do not need to purchase and surrender large-scale generation certificates. It will remove the requirement for two yearly reviews of the operation of the RET scheme and replace it with annual statements by the Clean Energy Regulator on the progress of the RET towards meeting new targets and the impact it is having on household electricity bills. As I have outlined, and the bill will include native forest waste as an eligible renewable energy source.

When it comes to the renewable energy issue more broadly, Labor has strong record in supporting renewable energy. Labor's renewable energy target has been a success not only for the environment but also for jobs and the economy. Under Labor, we saw jobs in the renewable energy sector triple and a huge investment of $18 billion in hydropower plants, wind farms, solar farms and the development of renewable technologies. This industry
employs 21,000 people and had been growing well up until the election of—you guessed it—the Abbott government.

Renewable energy and especially solar energy was a particular focus of the previous Bligh Labor government as well. Together with federal Labor policies, the great state of Queensland now leads the nation with almost 33 per cent of Australia’s total solar PV capacity. Queensland is also home to the highest number of renewable energy jobs, with more than 6,500 of the 21,000 jobs I mentioned. Again, it is leading the nation. Unfortunately, we saw the previous Newman government attack the successful take-up of solar energy in Queensland with the cutting of the solar feed-in tariff scheme. Fortunately, now we do not have to worry too much about Mr Newman inflicting any more damage to the renewable sector. He went the same way as many before him who made bad decisions.

During Labor’s time in office, we saw a drop in Australia's electricity sector emissions of seven per cent and rooftop solar grew from only 7,000 to around 1.2 million. It is an extraordinary and significant increase, which is reducing our reliance on fossil fuels while saving people money at the same time. Globally, investment in renewable energy grew by 16 per cent last year. In one of the largest economies in the world and in one of our biggest trading partners, China, we saw that investment in renewable energy went up by 33 per cent.

In 2013, at the end of the previous Labor government, we saw Australia ranked as No. 4 in the world for being the most attractive place to invest renewable energy in the world. We are now at the 10th spot. We have dropped. Why? It is because this government talks the talks but does not follow through with any of the actions. The statistics reveal that this government is not serious about renewable energy. You had Senator Canavan’s extraordinary contribution this evening. One would think that he was arguing against renewable energy at all, but I will leave it to people to make their own judgement. The RET was an important part of Labor's clean energy package and that is why Labor has been fighting against the Abbott government's attacks on renewable energy for the past 18 months.

On the amendments to this legislation, the original version of this scheme was introduced by the Howard government back in 2001 and expanded by Labor in 2009 and 2010. The renewable energy target has enjoyed bipartisan support for more than a decade. That is, until the climate sceptic Mr Abbott was elected and decided to systematically dismantle climate and renewable energy policy in Australia. We know that in September 2009 Mr Abbott told a Liberal Party dinner in Victoria that he thought the science of human caused climate change was 'crap'. Just a few days ago, on 2GB with Alan Jones, Mr Abbott made these extraordinary remarks. I quote the program:

"Well Alan look, I do take your point about the potential health impact of these things," Mr Abbott said.
"When I've been up close to these wind farms, there's no doubt, not only are they visually awful, they make a lot of noise.
"What we did recently in the Senate was reduce, Alan, reduce, capital R-E-D-U-C-E, the number of these things that we are going to get in the future," he said.
"Now I would frankly have liked to have reduced the number a lot more."

The point is that we know the motive of the Prime Minister and his government, because we know they are fundamentally opposed to climate change. They do not believe that they should be doing anything in this area at all, whilst the rest of the world is moving towards the greater use of renewable energy and a greater investment in renewable energy technologies. Why?
Because it makes smart business sense. That would mean that this government would also have to make smart business decisions, but I do not think it is capable of doing just that.

Mr Abbott decided to break his promise to the Australian people on the renewable energy target, just like we have seen him break so many other promises since he has been elected. The $600 million commitment for solar roofs in towns and schools was cut down to just $2 million in last year's budget. ARENA, the Australian Renewable Energy Agency, had its funding severely cut after the government failed to abolish it.

The review of the RET, led by a known climate sceptic, which caused uncertainty in the industry, was a shocker by this government. However, even the PM's own review, and even the climate sceptic himself, found that the current renewable energy target of 41,000 gigawatts will put downward pressure on household prices in the medium to long term. The current RET of 41,000 gigawatts is driving investment in Australia's renewable energy industry. The RET is reducing Australia's carbon pollution, and the renewable energy target is creating jobs in Australia.

The review was a political exercise, which ultimately recommended the abolition of the RET, or severely cutting the target. Despite this, the findings spoke for themselves. He found that he could not change the facts. He changed the ending, but that is not surprising when you look at the record of this government and what they sought the reviewer to find. As to the benefits to the economy and our environment, the facts spoke for themselves. They were clear and unequivocal—they create jobs, investment and opportunity. What we have seen here on display by the Abbott government, once again, is the extremism of the Abbott government's agenda. It is not even a purely neo-con, or a traditional centre-right, agenda. Their party seems to have a very confused agenda to an outsider when it comes to environmental policy.

We see them oppose a market-based mechanism for dealing with carbon pollution—a price on carbon that was to be determined by the free market. Instead, their policy—to the extent that you could call it a policy rather than a collection of actions—is quite Stalinist in style. It is central government controlled, hugely expensive and taxpayer funded—the so called Direct Action policy. Even the Greens do not support such a wasteful government funded program. Let me be kind though. It did take them a couple of times to finally support an emissions trading scheme, but at least they got there in the end. Now, we have a policy mechanism in the target that is obviously working—it is creating jobs; it is encouraging development of new technologies; and it is not a burden to the householders of Australia. Those opposite would argue, and continue to argue, the mistruths that renewable energy costs householders. It flies in the face of the facts found even by their own reviewer, all reasons why the government should support the renewable energy target. But, instead, their twisted agenda sees them being dragged kicking and screaming to this outcome. I would have thought that they might have ignored the National Party in this debate, but it seems they have let the National Party off the leash when it comes to renewable energy, particularly wind farms. I suspect that they have been able to garner a leave pass.

Ultimately, I will remind you once again, the outcome will see almost 25 per cent of Australia's energy generation come from renewable sources by 2020. It is a great outcome for the fight against climate change. The survival of this and the work that will be put into this is worthy of note. It is part of a wider set of policies that need to be implemented to see Australia leading the world on the development and generation of renewable energy. What I
worry about is that this government is not committed to funding the science and the work that will need to take us into the future of clean energy. From this side of politics, it shows Labor's willingness to negotiate an outcome that is in the interests of the country—not just opposing the government for the sake of opposition.

The Abbott government walked away from more than a decade of bipartisanship on this issue, which was disappointing. If we are going to make a difference in this field, we need bipartisanship. I would encourage the Liberals to ignore the Nats on this one. We have fought the government's attempts to completely get rid of the renewable energy target, and we have outcomes in this bill that will see RET retained for the future. It will see the extension of exemptions for emission-intensive trade-exposed activities such as the aluminium smelting industry. The Clean Energy Council has predicted the new target of 33 gigawatts will drive close to $40.4 billion in investment and create more than 15,000 jobs. This will provide certainty for the industry so that it can start investing again in jobs and development.

Through Labor's negotiation, we achieved: no change to the small-scale solar scheme, which includes rooftop solar, solar panels for small businesses such as nursing homes and all the other small businesses that have invested in this technology; full exemption for emissions-intensive trade industries, which relieves some pressure on those industries that are enduring a downturn and difficult times; and the removal of two-yearly reviews, which provides the long-term certainty the industry so desperately needs to survive and to thrive.

As I mentioned at the beginning of my contribution, Labor will oppose the government's proposal in this bill for the burning of native forests as part of the RET. Burning native forests for energy is neither clean nor renewable. The government's definition of waste in this legislation in relation to native trees is not just woodchips but can include large parts of trees as well as entire trees. I would have thought that the Abbott government would have learned from the Howard government and from the Tasmanian experience. If you allow that to occur, you do not have the whole of the tree being used properly; you end up with the whole of the tree being used for wood waste. The experience there needs to be very carefully considered.

The Abbott government, as in all its dealings with environmental policy, does show its true colours here—just as we saw with its dismantling of Labor's clean energy package, its abolition of the ETS, its attempts at abolishing ARENA, its attempts at abolishing the Clean Energy Finance Corporation, and its attempt at abolishing the renewable energy target. We now see, in this compromise from the government, that it cannot help but to include the provision which allows for the burning of our native forests. Of course, sneaking in this provision, which vandalises our environment and does not protect it, shows who really sit opposite in this debate—climate changes deniers, environmental vandals and those with only the interest of big business in their mind, and not a balanced view of how you could create new jobs and new technology, and support environmental outcomes.

Because of the principles which we hold in the Labor Party, the environment and the jobs of the future, in renewable energy generation and development, will be a part of Australia's future—despite this government, I suspect. This government will find that it will not be able to sustain its unsustainable position in the light of significant advancements, because—as people have also spoken about—renewable energy is here to stay.

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (19:46): I am very relieved to finally rise today to speak on the Renewable Energy (Electricity) Amendment...
Bill 2015. It has been a long time coming. Sadly, the government's failure to keep their word means we have landed in a far inferior position than the one that we were in two years ago. The government have held the industry to ransom. While I do not doubt that some on the other side would be happy to watch while the renewables industries die a slow death, Labor cannot accept this. For this reason, we have taken the advice of the industry and agreed to the government's revised target.

The story of the RET under Tony Abbott is an unfortunate one, and one that brings into stark relief the sad reality that we simply cannot trust the government to keep their promises. Before the 2013 election, there was no question about the future of the RET. It enjoyed bipartisan support, and both sides of politics recognised the vital role it could play in transitioning Australia to a low-carbon economy. In fact, before the election the Prime Minister could not have been clearer when he said 'There will be no change to the RET'. There were no disclaimers, no caveats and no mentions of any sort of a 'real 20 per cent'. But, very soon after gaining the keys to the ministerial wing, those opposite had a dramatic about-face. Earnest statements about the importance of renewable energy quickly gave way to mutterings about high electricity prices and possible oversupply. This is despite the fact that these claims simply are not borne out by the evidence or the expert modelling undertaken for the government's own RET review.

Of course, this was undoubtedly the plan from the beginning. It is a plan we have seen play out again and again in all number of policy areas. Clearly the government's pre-election plan was to say whatever it liked before election day, and do whatever it wanted after it had it won the ballot—never mind the fact that the latter bears no resemblance whatsoever to the former. And that is exactly what happened in the case of the renewable energy target. Within months, the government's rock solid-support for this successful—and previously bipartisan—policy evaporated, and the war on renewable energy began in earnest.

Other speakers here and in the other place have clearly laid out the benefits of the RET to the environment, to the economy, for power prices and for regional economies. They have noted the vital importance of the RET in reducing CO₂ emissions and in allowing Australia to transition to a low-carbon economy. They have recognised the enormous benefits in terms of job creation in a sector that employed 20,000 Australians in 2014. They have rightly pointed out that not only does the RET not have any impact on the federal budget but it will actually reduce power bills for consumers within five years.

I will not go into any more detail in these areas. Instead, I would like to spend a bit of time discussing one of the most recent and, quite frankly, the most astounding comments we have seen on the RET. It came from the Prime Minister himself. Last week, the Prime Minister dropped the mask and revealed once and for all the Jurassic depths of his opposition to renewable energy—in this case, the wind industry. When grilled by the notorious antiwind campaigner Alan Jones, the Prime Minister did not hold back, boasting about government cuts to the RET and his goal to:

… reduce the growth rate of this particular sector as much as the current Senate would allow us to do.

Not only that, but the leader of this country even went as far as to say that he wished the RET had never been introduced.

This is absolutely astounding stuff. A sitting Prime Minister boasting about setting policy in order to shut down investment. The very same Prime Minister who, despite telling the
world that Australia was open for business under his leadership, has presided over a dramatic 90 per cent fall in investment in renewable energy, and the same Prime Minister who admitted he never supported the very policy he took to the people of Australia before the election. So what justification did the Prime Minister give for his verbal trashing of the wind industry? Nothing beyond his own, very subjective belief that wind farms are 'visually awful' and 'noisy'.

Over recent months, I have gathered a reasonable amount of knowledge in this area, as Labor's representative on the Senate Select Committee on Wind Turbines. While it is undoubtedly true that beauty is in the eye of the beholder, I think you would be hard-pressed to find too many people who would choose to spend time next to the belching, toxic smoke of a coal power station rather than a wind turbine.

Personally, I actually find them quite graceful, even majestic. And I say that as someone who has stood directly underneath quite a few wind farms. And, despite what the Prime Minister says, in my experience you could easily hold a conversation at normal volume, right at the base of a wind turbine. Unsurprisingly, it turns out that the Prime Minister has only ever been close to one turbine in his life—one turbine, which he used to damn a whole industry and, in so doing, put thousands of jobs and billions of dollars in future investment at risk. It is unbelievable. But the Prime Minister was not content to voice his own coal-addled opinion on aesthetics and sound. He went further. And in so doing he put himself at odds with the medical and scientific community when he asserted that wind farms have 'potential health impacts'. Despite what the Prime Minister and some others in this place would like you to believe, there is simply no credible evidence to support this. There have been 25 reviews across the globe into this issue and not one has found evidence that wind farms are detrimental to human health.

The National Health and Medical Research Council of Australia, our peak health research body, released a peer-reviewed paper in 2010, which found no robust scientific evidence to link wind turbines with adverse health effects.

Given ongoing concerns from some sections of the community, in 2012 the NHMRC convened a Wind Farms and Human Health Reference Group, released a draft information paper and commissioned Adelaide university to undertake a review of scientific literature on the health effects of wind farms, which came to similar conclusions as those in the 2010 paper. The most recent NHMRC statement entitled 'Evidence on wind farms and human health', states:

There is no direct evidence that exposure to wind farm noise affects physical or mental health.

Similarly, the Australian Medical Association position paper on the issue, states:

The available Australian and international evidence does not support the view that the infrasound or low frequency sound generated by wind farms, as they are currently regulated in Australia, causes adverse health effects on populations residing in their vicinity. The infrasound and low frequency sound generated by modern wind farms in Australia is well below the level where known health effects occur, and there is no accepted physiological mechanism where sub-audible infrasound could cause health effects.

Last year, Canada's national health body, Health Canada, undertook the largest ever epidemiological study of wind farms. The study incorporated over 1,200 households, living varying distances from wind turbines, some as close as 500 metres away. This $2.1 million
study included a peer-reviewed methodology, medical expertise, self-reporting and objective health measures including hair cortisol, blood pressure and heart rates, and 4,000 hours of acoustic data. It, too, found no link between wind farms and human health.

In fact, there is not a peak medical organisation, national health regulator and/or national acoustics body in the world that holds the position that wind farms can damage your health, despite wind farms being in operation for four decades globally. And this is borne out by real-world experience.

During a recent hearing of the Senate Select Committee on Wind Turbines, in Melbourne, the world's largest turbine manufacturer Vestas testified that, of their service and operations workforce of 5,500 people across the globe, not one complaint had been made about the health impacts of wind farms. Despite spending eight hours a day, day in and day out, month after month, working in or around wind turbines, not one person complained of health problems. And yet our Prime Minister seems to think that he knows better. It is truly astounding that the leader of this country would go out in public and spout such unsubstantiated nonsense. It is even more astounding that the Prime Minister was so willing to dispense with the facts in order to further his vicious war on renewable energy.

The Prime Minister's comments are not only ignorant but also extremely reckless. There is a growing body of credible research which shows that exposure to anti-wind-turbine messages can have a significant impact on people's perceptions of the impacts of wind farms on their health. The Prime Minister's words will only serve to increase anxiety in regional communities and will create uncertainty in an industry that offers billions of dollars of investment and thousands of jobs.

I will finish soon, because we need to salvage the message that this government has made of the renewable energy industry. And we need to do it urgently.

In my home state of Tasmania, in my home region on the north-west and west coast, we could have 200 workers on the ground right now building the proposed wind farm at Granville Harbour. The wind farm has secured all the necessary approvals and even had investor interest, until the government broke its promise that there would be no changes to the RET.

Two hundred jobs might not sound like a lot in the Prime Minister's northern Sydney electorate, but I can guarantee that it will mean a lot to the people of north-west and west Tasmania. I would urge all senators in this place to think of the thousands of regional jobs that will be created only when this legislation is passed and of the thousands of potential jobs that may never come to be if it is not.

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (19:58): It is with a sense of dismay that I rise tonight to speak on this bill, the Renewable Energy (Electricity) Amendment Bill 2015, because this debate did not need to occur. What we are seeing here is the expression of the Abbott government's opinion that Australia is running the risk, out to the year 2020, of having too much renewable energy, too much clean energy on our network and that that is an enormous problem that needs to be dealt with by bringing forward legislation.

We know for an absolute fact, because they told us—they do not even try to hide it any more; for a little while they did, but now they have got so drunk on whatever it is they are up
to in their party room that they just say it flat out—that they wanted to completely abolish the
renewable energy target, just like they wanted to knock over the Clean Energy Finance
Corporation and abolish ARENA and any of the mainstays of this industry in getting it on its
feet so that it can employ people, drive down greenhouse gas emissions and set us up for the
electricity generation industry of the future. The Abbott government has been absolutely,
among forensically, determined to wipe it out. That is what brings us to this debate tonight.

Can you imagine people in future times looking back on this debate to discover a
government doing everything in its power to prevent us from an oversupply of clean energy
when the rest of the world is doing the opposite—albeit in fits and starts because there are
people like Prime Minister Tony Abbott in all those other countries as well. In Saudi Arabia,
in Canada and in other places; in the United States, various Tea Party operatives in the pay of
fossil fuel industries: such people are scattered throughout the industrialised world. But
imagine looking back in the Australian context and realising that the government had set out
to prevent us from having too much clean energy. It is absolutely unbelievable. Trying to
bankrupt clean energy companies and throw people out of work shows not simply
indifference but active hostility to renewable energy.

What it amounts to, though, when you try and work out exactly what is going on here, is
that the Australian electricity network is dramatically overbuilt. Apparently, we have built
9,000 megawatts or nine gigawatts of capacity that this country does not need. Basically, we
have built too many generators, based on uncritical hallucinations about future energy
demand—that it was just going to keep growing and growing; that energy efficiency would
never play a part; that home solar would never play any kind of part; that, at a household
level, people would not start getting serious about doing their bit. But that is all happening. It
was thought that we would simply continue to grow forever, so we have this extraordinary
overcapacity.

In WA, it amounts to an estimated $1 billion worth of generators that we do not need, with
more than $300 million spent on resurrecting the old, polluting Muja coal fired power station
just outside of Collie. You might as well have just shovelled 300 million bucks into the boiler
and torched it. This is under the same Barnett government that, while it is not entirely
responsible—because some of this stuff has a fairly long lead time—has presided over the
destruction of the state's finances, with the loss of its triple A credit rating. They are now
crying poor. They have abandoned public transport projects and all sorts of other projects
because the state's finances are in ruins, having spent more than $1 billion on electricity
generators that we do not need.

This is where we start to get a bit of a hint about what the Abbott government is up to.
What exactly do we think is the motivation of the Abbott government in exercising such
forensic hostility in trying to wipe out this industry? If you go looking for motive, you could
be forgiven for not looking any further than Mr Maurice Newman, who is the Chairman of the
Prime Minister's Business Advisory Council. This is not some nut-case blogger ranting on the
Infowars website; this is the guy who runs the Prime Minister's Business Advisory Council.
He has said:

This is not about facts or logic. It's about a new world order under the control of the UN.

He thinks it is effectively about some kind of communist de-industrialisation of Western
powers as part of some strange, manifest agenda that is never quite spelt out. 'It's about a new
world order under the control of the United Nations.' This is somebody whose advice the Prime Minister take seriously. But I think we need to look a bit further than Mr Newman.

I think we could take Mr Abbott's comments to Alan Jones on the radio the other day at face value. For obvious reasons, other senators have also quoted those comments in this debate. He said:

What we did recently in the Senate was reduce, Alan, reduce, capital R-E-D-U-C-E—

I guess he spelt it out. I did not hear the interview myself; I could not bear it—

we reduced the number of these things that we're going to get in the future. Now, I would frankly have liked to have reduced the number a lot more—

he is talking about wind installations. And then Alan pats him on the head, saying:

Good—well, you're the boss.

Mr Abbott continued:

But we got the best deal we could out of the Senate. And if we hadn't had a deal, Alan, we would have been stuck with even more of these things.

The renewable energy industry, trying to negotiate in good faith with these people to get a better outcome, are getting certainty; they are getting certainty—and this is why I think it has been a mistake to try and bargain for a reduction in the renewable energy target—that the government is trying to wipe them out. The government is trying to put them out of business.

In the Western Australian context, that effectively means the loss of about 1,000 jobs, and I will put some figures to you now about how we arrived at that number. This government has effectively, through their renewable energy policies and in conjunction with their state Liberal and National colleagues, destroyed 1,000 jobs in Western Australia: a slow clap for you all! From a peak of under 1,500 jobs in solar and 360 in wind, we have fallen to around 730 in solar and 50 in wind in 2013-14. You destroyed 1,000 jobs in an industry that we urgently need to get on its feet because of the employment potential of getting the local manufacturing sector up and running. In WA, with the end of the mining-construction boom and the settling into the operations phase, people are leaving northern towns in droves and they are leaving regional areas, and sections of the Western Australian economy are beginning to cave in. You would think that this government that prides itself on its economic credentials would be doing everything that it can to support new industries of the future. I do not know what the national figures are; others senators will speak to those. But you have destroyed 1,000 jobs in Western Australia. Congratulations!

The Climate Council has shown that, over the last year, global employment in renewables grew by 13 per cent and, in Australia, renewable energy jobs fell by roughly the same amount. The International Energy Agency reports that renewable energy continues to rank as 'the fastest growing power source'; yet, in 2014, investment in Australia fell by 35 per cent overall and 88 per cent in large-scale projects.

So, this is not just rhetoric, a kind of unhinged rhetoric, from people like Mr Maurice Newman. This is actually deadly serious. This is industry policy playing out. This is very large donors in the oil, gas and coal industries who bankrolled the government into office and basically bought the executive of a major political party now carrying out their agenda—and it is sketched out in reasonable detail in the IPA's hit list of 100 things they would like to see done to the country—almost forensically and destroying an industry competitor. This is not
because renewable energy is a failure, not because it is too expensive and not because it does not work. It is because it works too well—not just overseas, but right here in Australia. WA is the second highest greenhouse polluter per capita after the Northern Territory, and, thanks to the Barnett government, when we abolished the state-based renewable energy target from 2011-12 greenhouse gas emissions in Western Australia are set to double. This is over a period of time when Mr Hunt thinks he can waive his hand magically and somehow see us brought into line with our international commitments.

In 2011 the state government also scrapped the feed-in tariff scheme for homeowners who installed solar panels. We just produced, at home, our second annual iteration of the solar postcodes report, which maps something a little bit unusual—something that is a bit counterintuitive—for Western Australia. It is that Western Australian households, with other families from around the country, want to do the right thing. They want to do the right thing for environmental reasons, but, significantly, for cost reasons as well. I guess the myth, at least from the Liberal-National side of the chamber, is that clean energy and home-installed power stations—rooftop PV—is a plaything of the wealthy. But when you look at the numbers for the families and the households in Western Australia that are installing solar PV it is inversely correlated with the median wealth of the postcode. It is low income and outer-metropolitan suburbs that are doing their bit, and it is the government that has actually become the block. It is not simply indifference at work here. It is hostility. And we know why. It is because renewable energy is competing a little bit too well with the people who helped put you into office. We are talking about 1,080 jobs in WA alone.

Around the country the writing is on the wall. It is happening around the world as well, but we have seen some pretty vivid examples here in Australia in the last little while. Coal is on its way out. It is not that it is good for humanity. Go to Morwell in the middle of the fire—you could not breathe the air—and tell people how good coal is for humanity. The Greens have gone to the Victorian, Queensland and New South Wales state elections talking about and proposing a structured, phased closure of coal power that keeps the workforce engaged and employed through staged rehabilitation of mine sites, while you can start training people and working for a transition. There is no reason at all why the sites of the coalmines and the big generators in Australia, whether it be in the Hunter, in the Latrobe or in Collie in Western Australia, cannot be the sites of the clean energy technologies of the future, because no-one in their right mind is going to walk away from billions of dollars worth of sunk costs in transmission infrastructure in each of those three places. This is where we can be generating the renewable jobs of the future. But the government has its back turned, not through—as far as I can tell—any kind of strategic assessment of where energy reform in this country needs to go, but through simple, blind pigheadedness and refusal to admit that the world has changed.

Coalmines are closing anyway. In the last month and a half we have seen Anglesea close in Victoria and Alinta's Leigh Creek plants close in South Australia. Before that, it was Redbank, in New South Wales. Who is it going to be next? Maybe it will be Hazelwood. If you do not have a transition plan for the workforce they are thrown on the discard pile. Why is it that we are the only people talking about a structured transition for these workforces, rather than abandoning them to the inevitability that the industry is on its way out—not because of government policy, but despite it? They are being outcompeted by electricity generators that need no fuel. Once the capital is installed they run for virtually nothing. That
is the game changer that you appear to have failed to understand. That is why we stand here
tonight debating the destruction or the attempted sabotage of the clean energy sector—not
through any kind of mysterious ideology, but, I think, through the hardheaded business
pragmatism of the dying industries of coal and those in the gas industry who think they are
some kind of viable replacement because they are slightly less bad than coal.

Who gets to be collateral damage along the way? It is the native forest ecosystems of this
country. This is a plan that will increase logging in out native forest estate. This is something
that I speak about from direct experience in Western Australia, having been involved in the
very late stages of the campaign to get the chainsaws, the bulldozers and the scrub rollers out
of the old-growth forests in the south-west of Western Australia. Most Western Australians
thought that was case closed. And good on the Gallop government, with the support of the
Greens at the time in 2001, for actually bringing an end to very large-scale clear-felling in the
old-growth forest estate in the karri forest and in the jarrah forest. Most Western Australians
figured that was case closed and that the job was done. They walked away and they had a rest.
People had been working on that campaign for 30 years, and they went off and did other stuff.
In the meantime, the destruction of our native forest continued in smaller pockets and in areas
arguably not considered technically old growth, because they might have been logged by a
handsaw 60 years ago. The destruction continued of the forest ecosystems that support the
wildlife, support the rainfall patterns and ultimately support the biodiversity that supports us
and supports our economy. And this area in Western Australia we are speaking of is one of
just 31 global biodiversity hot spots. The south-west forests of Western Australia are like
nowhere else in the world, and we are seeing localised extinction cascades already. It is
predicted that at current rates of habitat loss we will see Carnaby's Cockatoo become extinct
by 2020. As it is in Western Australia, the current forest management plan will see the rate of
logging increase—not decrease, but increase—into these dying markets in these customer
countries that just do not want our woodchips any more, to an area equivalent to 10,000
Subiaco Ovals every year and an impact of around 200 square kilometres of native forest to
be hit.

No wonder people are establishing blockade camps. People are mobilising and getting
organised again to create some kind of defence against the insanity of industrialised logging.
And just as we start to get to the point where we can have an intelligent conversation about a
mature transition plan—there is that phrase again—to a plantation logging estate, what comes
along but a proposal to feed native forest logs into incinerators. This is a perverse redefinition
of renewable energy that has fooled absolutely nobody. This is nothing to do with forest
waste, unless you are happy with the concept of 10 per cent of mature, old karri forest being
knocked over and sent off for sawlog, and the other 90 per cent of those forest coupes being
fed into chip-mills, pulped and burnt. Do you really consider 90 per cent to be waste?

The forest movement and the WA Forest Alliance—and I want to acknowledge their
extraordinarily longstanding commitment, and that of their allies, the local people in the
South West towns, to the defence of the native forests of the South West of WA—have
recorded trees in excess of 300 years old. Trees older than the foundation of the city of Perth
are being fed into chip-mills as waste and pulped. That is what we are dealing with. Trees that
you cannot get your arms around—trees that five or six or seven people could not encircle—
are being classified as waste, chipped and burned. What kind of government brings forward
that proposal and perversely describes it as renewable energy? This has nothing to do with waste—at least not in the sense that you mean it; it is certainly wasteful in another sense.

Given that that is the package on the table, who in their right minds would support the Abbott government in this mad endeavour to destroy the clean energy sector just as it is starting to find its feet, and to sign off on the destruction of the native forests—not just those in the South West corner that I am particularly attached to, but the wild forests of East Gippsland, the rainforests of Tasmania, and the tall forests of New South Wales—who would throw the government that lifeline? Who indeed? Enter the Australian Labor Party. After listening to some of the speeches that ALP senators have delivered tonight—heartfelt, and no doubt sincere—you could be forgiven for thinking that the ALP was going to vote against this bill. But you are not; you are going to vote for it. You have thrown Prime Minister Tony Abbott a lifeline.

Having described at some length what is at stake, and the consequences, I can understand that, for a party that did everything it could to prevent the Clean Energy Act from coming into existence, and from a Prime Minister who said he wished that the Renewable Energy Target had never been legislated for, they have put their cards pretty clearly on the table—they are ambiguous and confused and pretty messed up on all sorts of other things, but they are crystal clear on the subject of what they think of the clean energy sector. But what on earth has got into the Labor Party that it would throw the government this lifeline? I have not heard that from any of the Labor senators who have chosen to speak to this bill.

We will be opposing this bill. When it gets to the committee stage, we will see what kinds of amendments are brought forward; I gather there is all sorts of churn, and that the amendments are still being frantically hacked. Why don't you adjourn this debate, take a very deep breath, and think about—not future generations, because it has become very apparent that you could not care less, but what about the present generation of young people—people who are coming through: kids of age five or six. Try and think about how they will feel in the 2050s and 2060s and 2070s, when they are our age—it is not that far away—if they pick up the transcripts from tonight's Hansard and read about the time that the Australian government, with the support of the opposition, legislated against the possibility of installing too much clean energy.

There is still time for a rethink. And I really hope, for the sake of the young people in all of our lives and the young people in the lives of those who might be following this debate from outside, that there is a rethink—that we come to our senses collectively as a legislature, and do what is demanded of us; that we move forward with the transition, that we do not dig our heels in and try and cling to a past that we have well and truly outlived. It is time to move on. Protecting and extending the Renewable Energy Target and guaranteeing the expansion of this industry and the jobs that it can provide—that is our job. That is what we should be doing in here—not clinging onto the technologies of the past that have brought us such risk; such extraordinary present-day and near-future risk.

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (20:18): I rise to make a few remarks on this topic. One of the confounds in all the discussion on this theory is that, somehow, the free energy that comes from renewables is going to make life better for people, in terms of cheaper energy and more jobs. One of the things that interests me is looking at the question around jobs, and I look at the King Juan Carlos University in
Spain, who did a study on the job outcomes of their focus on renewable energy—which were that for every job that was created in the renewable space on a sustainable basis, some 2½ jobs of traditional infrastructure and industries were destroyed. And so, whilst there were jobs created during the construction phase, long-term there was a net loss in jobs in Spain.

We also see the other confound in the argument that has just been put forward around the issue of energy pricing. In my home state of South Australia, we have the nation's largest percentage of renewable energy, and yet we also have the nation's highest power prices. One of the reasons that I think we should be concerned about the drive to continuously increase renewable energy is that we need affordable power pricing to keep industries going which employ people. Renewable energy at this stage, whether we are talking wind or solar, cannot provide baseload power and so, even where we see renewable energy providing an increasing percentage of baseload power, we still have to keep in reserve, if you like, the ability to provide baseload power from either coal or gas—in the case of South Australia—which means that as they lose market share to the taxpayer-subsidised renewable sector, their costs—which they have to amortise across the ability to maintain their potential to provide 100 per cent baseload power—increase continuously per unit of power that they are able to sell. And so we get to this perverse situation, where one day we may end up having to subsidise people who are burning fossil fuels in order to enable them to continue to provide that assurance of baseload power, because the renewable sector cannot. And so, whilst it is appealing at one level to hear the debate that endless amounts of sun means endless amounts of free energy, the reality right now is that for South Australia, increasing amounts for renewables—which on the one hand looks very attractive; but on the other hand we also have the highest power costs in the nation—has a detrimental impact on the ability of industry to still function, to compete in a global environment, and to employ Australians, and means that we see increasing pressure on the non-renewable sector, which is still required to provide that backup of the potential of providing 100 per cent of our baseload power.

So whilst over time we have seen governments of both persuasions invest in renewable energy—and I recall the coalition investing in things like solar near Whyalla in South Australia and geothermal in northern South Australia—the reality is that large-scale subsidy of renewable power has not delivered the nirvana that we are hoping for. This decision to look at reducing the target is an appropriate balance of saying: let's continue some investment in renewables, but let's also recognise that an unrestrained increase in those targets could well lead, as we have seen, to increasing pricing, which makes it more difficult for communities to continue to operate industries and to employ people, which sustains the very economy that we are hoping to be the basis of Australia's future in terms of innovation, manufacturing and jobs. For that reason I support the bill brought forward by the government.

**Senator RICE** (Victoria) (20:23): I rise to speak on the Renewable Energy (Electricity) Amendment Bill 2015. Right across the country a shift is happening. Communities are ditching the old, destructive, polluting industry of the past and embracing the new, clean, innovative ways of the future. For the big polluters the future is bleak. For the rest the future is exciting, but now we are facing a choice: the old way or the new way. This deal, to reduce the renewable energy target and to include the burning of native forests for electricity within the target, is well and truly a backward step. The transition away from logging these
centuries-old native forests is well underway. Logging of native forests is not where the jobs of the future are for these communities.

I came into this parliament with some clear aims: to strive for happiness and health for humanity; to protect our land, water and air; and to work so that the incredible diversity of life that we share this planet with can be protected and can thrive and flourish. Travelling through my home state of Victoria, I have met countless people who share my aims. Among them are community-minded business people who are leading the way in the businesses of the future, employing local people, respecting the environment and giving people from around the world the chance to experience our unique environment. People like Dave Whyte in East Gippsland. Dave runs Wilderness Coast Adventures, which takes people on cycling tours through some of the spectacular natural landscapes of East Gippsland. But his business relies on the lure of cycling routes surrounded by pristine wilderness. Dave says they experience the occasional logging coupe now but would not want to see more. People want to experience the natural beauty of the area and breathe in the fresh air. No-one wants to go for a ride through a freshly logged logging coupe or through the matchsticks of a regrowth forest.

Then you have farmer and tourist operator Ken Deacon, who has lived in Victoria's Rubicon Valley for over 40 years. Ken runs horse and bike riding tours through the forests in the Royston and Rubicon valleys, but he is struggling to cope with the level of logging. There are fewer and fewer areas of unlogged forest for his rides to travel through, and it is becoming increasingly difficult for his business to survive.

Dave and Ken's stories reflect the potential for these communities. This potential is lost when we destroy our native forest, which is what this deal seeks to do. The same scenario is playing out around the country. Over the past 40 years native forest logging has failed to protect our environment and failed to protect jobs. We have reached the point where industrial logging in public forests has had its day. The industry is looking for a future, and that future is in plantations. The most backward thing we could do would be to hold up this transition; yet this deal, to include the burning of our native forests for electricity under the renewable energy target, does exactly the opposite. It is holding up an inevitable transition. The delay is at the expense of taxpayers, at the expense of everything that science tells us about the values of our native forests, and at the expense of communities like those of East Gippsland, southeastern and northern New South Wales, south-west Western Australia and throughout Tasmania. And it does so while doing the opposite of the intention of the renewable energy target.

Let's be clear: burning wood from native forests for energy is not clean energy. It does not reduce pollution. In fact it releases carbon into the atmosphere, speeding up climate change. This move would prop up and entrench an industry that is destroying our native forests. It is a desperate act from a government that is ignoring climate science in favour of their big business, flat-earther mates.

Climate change is real. It is happening, and if we do not take serious action to dramatically, drastically and urgently reduce our carbon pollution, the devastation it will cause is unthinkable. Winding back our commitment to clean energy by reducing our renewable energy target completely denies this reality. Arguing that we need a reduction because the target now represents more than 20 per cent of our energy use is a wilful denial of the whole purpose of the target. Achieving a greater proportion of our energy through clean energy
sooner rather than later is cause to celebrate. It gives us the ability to take the next step of increasing the target to closer to the aim of 100 per cent renewable energy that we know we must achieve as soon as possible to give humanity and the planet the best chance of a healthy future.

Of course, by including burning wood from native forests for energy, it is worse than merely reducing the target to 33,000 gigawatt hours. Making the burning of wood from native forests for energy eligible for renewable energy certificates attacks the production of renewable energy on multiple fronts. Firstly, it reduces the number of certificates available for truly clean energy sources like wind and solar. Critically, it destroys the integrity—the clean, green brand—of renewable energy. Who wants to buy renewable energy when it has come from the logging of our precious native forests and has destroyed the homes of animals and birds like koalas, spotted quolls, swift parrots and powerful owls? But it gets worse. Climate scientists and campaigners alike know that when it comes to forests, the critical action to take when it comes to tackling climate change is to protect them—not to log them, but to let them grow old to keep soaking up and storing carbon, cleaning up our polluted atmosphere.

Minister Greg Hunt has a report on his desk that he so far has refused to release that shows that, if the forests of the Central Highlands of Victoria in the Great Forest National Park were protected rather than clear-felled, it would be the equivalent of stopping the pollution of 3.2 million tonnes of carbon every year and it would be worth at least $40 million per year to the Victorian government. You compare that with the massive subsidies, the loss of at least $5 million a year, for continuing to log the forests of East Gippsland. In stark contrast, allowing wood from native forests to be burnt for energy is going to drive the ongoing logging of our precious forests and the destruction of these important carbon stores.

We know that the Abbott government is not happy with this deal on the renewable energy target. The Prime Minister said just last week that he thought it an imperfect deal, and referring to the genuinely clean energy source of wind, he said, 'I frankly would have liked to have reduced the number a lot more.' So what is the government trying to get out of this deal? In addition to reducing the amount of clean energy Australians can benefit from, the government has tried for one big notch on their environment-destroying belt. Like a rundown car, the government wants to jump-start the native forest logging industry so that it can just go a few more kilometres. It might be dirtier and it might cost more to run, and everyone else has moved on to the next model, but the government is determined to stick to its 1950's ideology and prop up the industries of the past.

We have heard time and time again that this is just wood waste, but it takes only a quick look to realise that this is not waste at all. If it were only about sawmill waste then the regulations would only be about sawmill waste. If it were only about lower value wood products that cannot be sold elsewhere, there would not be an entire category in the regulations where 100 per cent of the logging coupe can be fed into the burners. If it were only about cleaning up tree heads and branches, then that would be what the regulations specified as well. If you go up to a logging coupe, you will see truck after truck with whole logs, but you have never and will never see a truck carrying timber offcuts, bark and branches that would otherwise be discarded—never. Why? Because it is simply not worth it to load it onto the truck and to pay the costs involved in transporting bark and branches. Any promises that biomass will be limited to otherwise discarded wood are simply nonsense, and this is the
crux of the issue. What the government wants to burn is not wood waste at all. You can bet your bottom dollar that it will result in the destruction of whole logs and logs that could be sawn and that it will increase the logging of our native forests. It will send communities like East Gippsland backwards. So why does the government feel the need to prop up the industry?

Native forest logging in Australia over the last 40 years has been dominated by the production of large volumes of low-value woodchips. We must be absolutely clear what this means, what industrial-scale clear-felling looks like. We have a situation where one logging coupe is an area of forest the size of Melbourne’s Royal Botanic Gardens, or larger, and it is totally destroyed. A few isolated habitat trees are left, but otherwise it is a moonscape. Only 10 to 20 per cent of the trees felled are cut into timber, cut into logs that are considered suitable as sawlogs. The other 80 to 90 per cent are classified as residual logs and are sent off to the chipper. The area is then burnt and reseeded, mostly with eucalypts, losing the vital diversity that forest animals rely on, and most of the animals that lived in this forest die. Without the woodchipping industry, there would have been much less of our native forests destroyed, and more of the logs removed would have been used efficiently for sawn timber.

The industry is moving past the need for woodchipping. Sawmills are working out that it is actually possible to use smaller logs, younger logs, less perfect logs to create sawn timber. But, ridiculously, that is not the direction the industry has been pushed in. These logs do not even have a chance to be sawn. They have gone straight off to the chipper because of large contracts to export these woodchips overseas. But things have changed. Eucalypt plantations in Australia and overseas now produce better quality woodchips for paper pulp and do not rely on the clear-felling of precious native forests. They are certified under the internationally recognised certification system of the Forest Stewardship Council.

The market for the low-quality forest-destroying woodchips from Australia has crashed. The inclusion of wood from native forests in the renewable energy target is aiming to find a new market for these 80 to 90 per cent of logs that are removed from native forests, the so-called residual logs now so-called waste. So the industry is looking for a new market to justify the ongoing subsidised logging, and this new market is energy. It is aiming to turn hundreds of thousands of trees every year into pellets to be exported and burnt overseas. It is aiming at supporting the establishment of energy generation here and subsidising the establishment of such energy generation. I repeat: this is not about waste. Let that be absolutely clear. If it were about the tree branches, the bark, the tops of trees, then the legislation would exclude whole logs. It does not.

It is no surprise then that some of our biggest polluters are lining up to cash in on this deal. Indeed, one of our filthiest power stations, Hazelwood, in the Latrobe Valley, already has accreditation to use wood waste under the renewable energy target. The Prime Minister describes wind turbines as ‘visually awful’. I would invite him to visit the Hazelwood coalmine, which burned for 45 days and spread ash over the entire region. Why would Hazelwood go to the trouble of getting accreditation if they were not planning to burn wood from native forests? They are waiting to pounce. They know the Abbott government has got their backs. They are ready for rules to change so that all the native forests in Gippsland and East Gippsland become classified as wood waste.
Across the country, in Western Australia, the proposed Manjimup power station could destroy the karri forest. So not only will genuine clean energy sources like solar lose out from the smaller target, but their biggest rivals—the big, old, hulking coal fired power plants pumping out dirty power—will start getting renewable energy certificates. The age of coal is over. Just as this backwards government is trying to prolong the transition from old growth to plantation logging, this legislation will be holding up the switch from these old dirty, coal plants to the clean energy of the future.

There is a different future for the timber industry, as there is for the renewables industry, and in fact it is much further advanced. We do not need industrial-scale clear-fell logging creating 'waste' in order to produce sawn timber. In fact, we already do not rely on it: 85 per cent of the wood products that we produce in Australia come from plantations, and this percentage is increasing. Plantations are much more efficient in their production of timber and they do not rely on the destruction of our precious native forests. The plantation sector looks on the native forest sector with bemusement. They scratch their heads and wonder why the government keeps on propping it up, subsidising it, when they are getting on with the business of creating high-quality wood products without any fuss, without huge community debate, without the environmental destruction. They do produce genuine renewable energy from their waste, because they are burning genuine waste—sawdust and sawmill offcuts—that they have grown themselves over the past 20 to 30 years. These plantation products are already eligible for renewable energy certificates, and we have absolutely no argument with them.

I want to specifically address the issue of production of sawn timber from eucalypt plantations, because that is what the purported justification for the ongoing logging of our forests comes down to in the end. Whenever the industry talks about logging, they do not show the devastation of clear-fell logging or the massive mountains of woodchips waiting to be exported from Eden or Burnie. They do not even show the pallets and tomato stakes—the low value products that the bulk of sawn timber from our native forests gets turned into. They show lovely polished floorboards, staircases, window frames and dining room tables. I would like to share with people that the largest eucalypt sawmill in the world, producing the largest volumes of desirable sawn timber, destined for high-value products like floorboards, staircases, window frames and dining room tables, is in Uruguay; it is producing wood from plantations of Australian 'flooded gum' that are only 20 years old. This mill and the whole industry have solved the problems of sawing young green wood that our industry has not been interested in solving, whilst they have access to wood from native forest. We can create sawn timber products from local eucalypt plantations; CSIRO researchers have outlined how it can be done. If and when we decide to stop the devastation of our native forests, the sawn timber industry will change and work out how it can be done here too, and we will be able to enjoy the beauty of wood products without the beast of forest devastation. But this happy outcome is not going to occur under this deal.

This deal comes down to a choice: who do we want to prosper? Is it the big polluters who are set in their old ways of destroying our most precious natural assets at the taxpayers' expense? Or is it the hard-working small business owners like Dave Whyte and Ken Deacon? Is it the magnificent forests that provide us with so many benefits? Is it the clean energy innovators who are facilitating the shift to the economy of the future? I know who I side with.
We must side with the community; we must not let the Renewable Energy Target to be tainted with the burning of our community's precious native forests.

Senator RHIANNON (New South Wales) (20:41): This bill, known by many as the 'dead koala power bill', should not pass. What the government calls the Renewable Energy (Electricity) Amendment Bill is shameful. This is a saga that highlights how far the Abbot government will go to deliver for its corporate constituency. In this case, the Liberal-National corporate constituency is the fossil fuel industry and those companies that want to continue logging native forests.

This bill trashes two things Australians love dearly: renewable energy and native forests, home to so much of our unique wildlife. The locals of south-east New South Wales tell me that they are not feeling much love at the moment. They are not feeling much love because of their deep concern about what this bill, if passed, will do to the forests and their pleasure at seeing more solar panels go up on homes and businesses in their area. The apt title of 'dead koala power bill' comes from south-east New South Wales and it resonates very deeply with them, as this bill would breathe new life into the now near-defunct Eden woodchip mill. This mill was just about to close; South East Fibre Exports had announced that its mill would no longer purchase timber from East Gippsland state forests. The general manager nominated international market pressures as the reasons. What he is referring to—and it is what Senator Rice has just gone into great detail about—is the poor woodchip prices and the contracting markets for native forest woodchips.

There is a huge change going on in the industry. As Senator Rice also set out, the shift is to plantations. That is where the transition should be taking the industry. What is happening here tonight is a push to open up the burning of our native forests. South East Fibre and its Japanese owners, Nippon, would be cheering because their hope of revival looks like being delivered, and that is an enormous setback. Burning native forests in the name of RET opens the door to new and more destructive ways to make a profit from Australia’s native forests. It is an issue of great concern. The Eden woodchip mill is owned by Japan’s biggest paper manufacturer, and they could well be the first cab off the rank with a 5.5megawatt wood fired power station. The destruction that will then roll on in south-east New South Wales and north-east Victoria will be immense—the loss of precious habitat for the powerful owl, for koalas, for quolls should not be tolerated.

But it needs to be recognised that that destruction goes hand in hand with this legislation that is before us.

We can clearly see abuse of the RET system with this wood fired power station at Eden because it can only be viable with renewable energy subsidies. Again, as other speakers from the Greens have set out, the whole concept is founded on this misleading idea of so-called waste from the forest, misunderstanding the complexity of forest ecosystems and how much of that waste is actually part of the carbon cycle and nitrogen cycle and how the forest seeds itself and feeds animals. A living tree growing in a forest in New South Wales, sadly, can now be classified as waste.

I warmly congratulate the many activists, campaigners and local residents who have taken up this issue because they know what it will mean not just for their local area but for all of us. To lose these forests, for them to be damaged, as they surely will be, should not be tolerated. I extend special congratulations to the South East Region Conservation Alliance, which brings
together CHIPSTOP, the Bega Environment Network, ChipBusters, the Coastwatchers Association, the Colong Foundation for Wilderness, Friends of Durras, the Gulaga (Mt Dromedary) Protection Group, the far south coast branch of the National Parks Association of New South Wales and South East Forest Rescue. These organisations have put decades into this and have been able to protect much of the forest. Again, they can see what a setback this would be.

I will share with you some of the comments from these people that are most relevant to our debate tonight. Harriett Swift, a spokesperson for CHIPSTOP said:

We know that burning trees for power production is far from renewable and that in many cases emissions from burning trees are more intensive than burning coal … Biomass power will also produce a toxic cocktail of emissions that are harmful to the health of nearby communities.

Ms Swift said that:

… big old trees that would provide habitat for many native species are already scarce. Species of trees that are currently not logged will now be permitted for burning, including trees supporting koalas, black cockatoos and a multitude of threatened and endangered wildlife species.

I have been fortunate to have toured many of these forests with Ms Swift and many of the other people working in this area. I have been fortunate to see these species. These are beautiful forests. They need to regenerate in many areas. Many of them are stunning as they are. But none of them should be touched. None of them should be under threat from this bill.

Ms Heather Kenway, a spokesperson for SERCA, has said:

This government has no interest in preserving the precious little left of our intact native forests for wildlife, water, tourism and future generations … Will they wake up, like the Easter Islanders, only when the last tree falls? We need to leave NSW native forests in the ground to regrow and recover, switch to plantations for our timber needs, and formulate an energy plan for NSW that does not include 'Dead Koala Power'.

Noel Plumb from ChipBusters and Frances Pike from Nativesrule have said: 'Certification as clean energy under the RET will give the industry a public taxpayer subsidy while reducing funding support for genuine clean energy like wind and solar, a triple whammy as taxpayers subsidise forest destruction and the extinction of koalas and undermine renewable energy supplies.' They are important comments that I urge senators to consider and reflect on carefully.

I have just a few comments to make about the renewable energy target. As should be clear, wood waste from native forests should have no part in the RET. It was, in fact, removed as an eligible energy source in 2011. For four years the door was closed on burning forests in the name of renewable energy, and the RET went from strength to strength. As we know, it has been very successful in reducing emissions. I draw people's attention to the speeches of Senator Christine Milne and Senator Larissa Waters, as they have set this out in detail.

The federal government, however, have tried to blame rising electricity prices on the RET. This is where we start to get an insight into the corporate constituency of the government and what is going on here. Electricity prices doubled in the last six years, but the RET played very little part in that. The resulting array of interests stacked against the RET are considerable. We see this with electricity utilities, coal companies and forestry interests. What is going on here? Electricity prices have gone up. We have these companies complaining and obviously
intensely lobbying the government. The Liberals and Nationals are getting an earful from these companies that are concerned about how this is all playing out.

So what do we see from the Prime Minister? He has become a crusader for coal, talking up the interests of corporate coal. What do we see from coal companies? We see a considerable and increasing level of generosity in the form of political donations. It was in October 2014 that the Prime Minister announced:

Coal is good for humanity …

These were his words at a time when the world is turning its back on coal. Yes, for many decades coal was critical to powering our country, but we now know the dangers involved. We now know that there is another way. But here there is a Prime Minister who goes to such lengths, using such loaded language, to try to paint coal as a great saviour. The Prime Minister went on to say that coal will be the world's main energy source for years to come. This does give us an insight into why he is waging war on the RET, because effectively that is what is happening with the legislation before us. He is out there really representing the interests of coal companies.

This is where it becomes relevant to look at the political donations from the resource industry to the government. I will go through what some of those contributions are. I am not suggesting some deals have been done; we do not know what discussions go on behind closed doors. But there certainly is a public perception that this money is not handed over for no reason. These are just some of the resource companies that have put in hefty donations to the coalition parties. Adani, the company trying to build Queensland's largest coalmine, donated $49,500 to the Liberal Party of Australia. Gina Rinehart donated $25,000 to one campaign alone. That was the foreign minister Julie Bishop's campaign. That money came through Hancock Coal Infrastructure Pty Ltd. The figures all come from the Australian Electoral Commission. Some of them are collated on the Greens 'Democracy for Sale' website.

There is also a very useful reference from Australian Mining on the 7 April this year. They detail a whole range of resource companies that have been very generous to the Liberal and National parties. They have identified that the bulk of small donations from mining companies went solely to the Liberal and National parties. These companies each donated $20,000 to the Liberal Party: Silver Lake Resources, Northern Star, Whitehaven Coal and BC Iron. The NSW Minerals Council gave $32,250 to the coalition. Santos, infamous with regard to coal seam gas mining, donated a hefty $185,300 to the coalition. There was $500,000 donated—and this was just to the Liberal Party—that came from Nimrod Resources. That is a privately owned exploration company working around Bourke in New South Wales. These are just some of the donations that have gone to the Liberals and Nationals from various resource industries. This again is very relevant to this debate, because the RET has been a very important part of our work in addressing climate change in Australia. We are seeing another aspect of the work that was undertaken a few years back to deal with climate change being unwound—and this is just one more aspect of it that we are seeing tonight. We need to really look at the forces at play here. We do know that the renewable energy target was delivering jobs and investment around Australia. Most importantly, it was bringing down carbon pollution—the carbon pollution that is causing global warming. But this is all under threat now. It is under threat because those corporate interests are so close to this government—and this is a government that very much delivers for its corporate constituency.
We know this bill will allow the burning of native forest wood. We know that the Eden woodchip mill is set to get a new lease of life, as will many new power stations that will come into operation using this so-called new form of energy. Let us remember at this point that this is just a pre-industrial form of energy. We were burning forests hundreds and hundreds of years ago. That was what was happening across parts of Europe. We learnt that that was not necessary. So this is really turning the clock back in terms of how destructive this bill is. We also know that the coal industry, as it loses markets in many countries, is finding a safe haven in Australia under Prime Minister Abbott. That safe haven is about to be extended with these polluting power stations and these woodchip mills. Meanwhile, what will happen to the precious habitat for koalas, quolls, the peaceful owls, the beautiful bower birds, all those array of honeyeaters? I am a keen birdwatcher, so I have had the pleasure of going through many of these forests and seeing many of these unique birds and, periodically, but not so often, seeing the beautiful marsupials. Now so much of this is under threat, because, when you start burning forests, you are losing habitat, and habitat is what is critical for these native species. It will be an extraordinarily backward step if this bill goes through. It is the bill that should be trashed—not our environment.

Senator WRIGHT (South Australia) (20:57): I too rise to speak on the Renewable Energy (Electricity) Amendment Bill 2015. First up, I want to place on the record that we need to consider this bill in the context of a government that has a completely irrational antipathy towards renewable energy. How do we know that? Let me count the ways! I will come back to this in more detail later, but I think this is really important for anyone looking at these debates in the future. I am sure they will pore over them and think: what were they thinking at the time with all the evidence that we know now about the direction in which we need to go in Australia? They will say: ‘How could this have been?’ We have Joe Hockey and his comments about hating wind farms. We have the Prime Minister, Tony Abbott, and his comments previously about hating wind farms. We have the Prime Minister, Tony Abbott, and his comments previously about hating wind farms. We have an ostensible review of the renewable energy target. In the face of a promise before the election that the government would not be changing the target, we have a review. The person appointed to run that review is someone who has a history of denying the reality of human-induced climate change and who has worked in the fossil fuel industry.

That said, I know that there are coalition MPs and senators who do not have an antipathy to renewable energy, who do understand the challenge that we are facing in relation to climate change. I would like to think that they are looking on in horror at the stance that is being taken resolutely by their leadership at this time in history. Particularly, if they have kids and grandkids, they know that the decisions that we are making today will inevitably have far-reaching consequences that we will all be held responsible for.

Here we have a bill that will reduce the target for the amount of renewable energy that we will have available to us in 2020 by 8,000 gigawatt hours at a time when countries around the world are doing the opposite. The worldwide investment in renewable power generation in 2014 was almost double that of fossil fuels. In early 2014, 144 other countries had renewable energy targets. I deplore the reduction of the renewable energy target from a target of 41,000 gigawatt hours by 2020 to 33,000 gigawatt hours. I also deplore the fact this legislation extends heavy emitting, trade exposed industry. That will have the effect of shifting more costs onto households and businesses.
It is hard to reconcile when we think about the rhetoric of this government. Do not listen to what they say; look at what they do. I deplore the changes to regulations associated with this legislation that will allow native forests to be burnt again. Burning wood for energy to keep us warm, and later to heat water to create steam to turn turbines, was something that we did in the past. That was the Industrial Revolution, which saw forests destroyed to feed the fires and to drive the looms and machines. Who would have thought in 2015 that we would be returning to a situation where we would be classifying the burning of trees as renewable energy when we in fact have the technology and we have infinite supplies of sunshine and wind that can feel the energy needs of the future?

Not only that, but we risk burning whole logs in forestry furnaces in an irresponsible and desperate attempt to prop up an industry that is incapable of being economically sustainable without huge government subsidies. The amount of money that goes into propping up the forest industry is there on the public record. This is just one more example of that. The other thing that people need to understand is that this will also have the effect of undermining further the investment in the real clean energy, like solar and wind, because allowing the burning of biomass will actually take up a proportion of the target—about 15 per cent, to use the forestry industry's own figures.

But why is that? Why would a government create in uncertainty in the way that they have done? What evidence is there that they have been deliberately destabilising and undermining the renewable energy sector? Can it just be a matter of anaesthetics? We know that Joe Hockey hates wind farms. He told us in May last year when he was speaking to Macquarie Radio. He was asked about whether the government would target clean energy programs in its quest for massive spending cuts. He was very candid and said:

Well, they say get rid of the Clean Energy Regulator, and we are.

He then mounted an attack on wind farms, specifically the wind turbines operating outside of our national capital here in Canberra. He said:

Well, if I can be a little indulgent, I drive to Canberra to go to Parliament and so on, I drive myself, and I must say I find those wind turbines around Lake George to be utterly offensive and I think they are just a blight on the landscape.

He was not asked his opinion about the look of coal fired power stations or nuclear power stations.

But he is not on his own. It must be something about being on radio that encourages an intimate, sharing tone among members of the cabinet. We had the Prime Minister last week speaking to Alan Jones and confessing that he finds wind farms:

… visually awful … they make a lot of noise.

Our Prime Minister was very frank last week. He said:

What we did recently in the Senate was reduce, Alan, reduce, capital R-E-D-U-C-E, we reduced the number of these things that we're going to get in the future. … I would frankly have liked to reduce the number a lot more but we got the best deal we could out of the Senate. … And if we hadn't had a deal, Alan, we would have been stuck with even more of these things.

Those are the Prime Minister's own words.

Then we have the review of the RET last year, where the hand-picked reviewer, Dick Warburton, had worked as a former Caltex chairman in the fossil fuel industry. He denies the
evidence of human induced climate change and he is a pro-nuclear advocate. The cost of that review was over half a million dollars. The review's own RET modelling showed that keeping the renewable energy target at its level or expanding it further will actually push power prices down. Again, I ask this: when we think about the rhetoric of this government that professes to be so concerned about the cost of living for people in Australia, if they were really serious about relieving electricity bills, why would they not be lifting the target instead of reducing it?

We have a RET that is reducing pollution, creating jobs and bringing power bills down. Why would any responsible, thoughtful, orderly or methodical government set about to destabilise it? I think the answer comes back to something the quite a lot of people have explored during this debate; that is, the influence of mates. We have mate Maurice Newman, chairman of the Prime Minister's Business Advisory Council, who talks about the RET, renewable energy and climate change not being about facts or logic but being concerned about a new world order under the control of the United Nations. We know that the government has many mates in the fossil fuel sector who stand to lose a lot if the push to renewable energy continues unabated.

Indeed, Minister Ian Macfarlane let the cat out of the bag last September when on ABC Radio he told us: 'There are about 9,000 megawatts, around five to nine coal power generators' excess capacity, which would be driven out by clean energy under the existing act.' Of course, this will happen. We are moving inexorably away from fossil fuels to a clean, decarbonised energy future. Trying to prevent it is as ludicrous as trying to turn back the tide. But what we see here is fossil fuel investors, fossil fuel companies and people who stand to make a lot of money out of the industry determined to prolong the carnival as long as possible and make as much money in the meantime. We have a government that is doing everything it can to support that endeavour.

Meanwhile, if we think about the effects on the people that this government purports to govern for—the people of Australia—we will have more landscape destroyed by coal and gas mining; we will have stranded assets; worse climate change; and we are reducing our readiness to transition to clean energy. As we approach the time, and it will happen—I fear, ultimately, without much notice in the end—when other nations de-carbonise and stop taking our coal, our gas and our fossil fuels. That is when we will have a workforce in Australia that will not be transitioned to the clean energy future and will be out of jobs on a mass level. Given the claims of this government to manage the economy, it is grossly irresponsible to jeopardise both existing jobs and the jobs of the future by ignoring every indicator that a transition is needed now. The evidence is there.

We have the clear evidence of the effect of the deliberately induced uncertainty on the part of this government. The uncertainty has shattered investment confidence. Investment in Australia in all renewables fell 35 per cent in 2014. It was the lowest level since 2009—this at a time when the rest of the world is moving ahead. In China there was an increase of 33 percent; in Brazil, an increase of 50 per cent; and Australia fell 35 per cent backwards last year. In the solar industry employment fell 28 per cent—down by 5,000 jobs to 13,000 jobs, and prior to this government being elected there were 23,000 jobs in the solar industry. This is a government that purports to be good economic managers. Thirteen large-scale photovoltaic projects went on hold. Large-scale renewable investments fell 88 per cent to $240 million, back to 2002 levels. Only four wind farms were being built. Australia
fell from number 11 worldwide in relation to large-scale renewable investments to number 39—behind Burma, Panama, Sri Lanka, Costa Rica and Honduras.

Now we have this proposal that we are debating—to reduce the RET. Supported by Labor—yes—to reduce the RET to create certainty, and the only certainty that we really have is that the RET will be reduced. There is certainty that any reduction in the 2020 target will reduce the amount of new renewable energy investment over the next decade. That is certain. As well as that, it is certain that this will significantly damage investments that have already been made in good faith, based on the existing legislation—the existing target. There is certainty that reducing the target will have a significant impact on the commercial viability of all current and future projects, because the value of revenue for large-scale projects is based on the value of renewable energy certificates created by the LRET scheme, and that is determined by the demand and supply dynamics of the market. If the 41,000 gigawatt-hour target is reduced, the market dynamics will fundamentally change and the value of RETs will decline. This will correspond to a material reduction in the revenue that a project would receive, and it will result in significant financial impact. This, again, is at the hands of a government that purports to be responsible economic managers.

I want to speak briefly now about the particular perspective of someone coming from South Australia, which I am proud to say is that renewable energy capital of Australia. We have the highest level of energy generated from renewable sources in the nation. If the RET is reduced—

Senator Singh: Mr Acting Deputy President, on a point of order. Whilst I acknowledge that South Australia is going ahead in leaps and bounds in renewable energy, Tasmania still remains the renewable capital of Australia.

The ACTING DEPUTY PRESIDENT (Senator Dastyari): There is no point of order. I will remind the Senator that frivolous points of order are not going to be tolerated in this Senate while I chair.

Senator WRIGHT: I must admit, it is a healthy debate to be having. I think that it is really important that we are vying to be the renewable capital of Australia. I have to say that the evidence is there that, indeed, South Australia is the renewable energy capital of Australia, and I will go onto establish why. South Australia has the highest percentage of homes with solar panels, at 23 per cent; the most energy sourced from renewables; and the most investment at risk—$2.9 billion of investments in clean energy, and there is a risk that that will go overseas if there is not enough certainty and if the RET is reduced. There are South Australian projects at risk. There is the Ceres wind farm on the Yorke Peninsula—a $1.5 billion investment, and more than 500 jobs. There is the Infigen Energy Woakwine wind farm in the south-east—150 jobs created. There is the Pacific Hydro Keyneton wind farm in the Riverland—more than 500 jobs created. We have Port Augusta, where recently there has been an announcement that the Alinta power stations—the two coal-fired power stations near Port Augusta—will be closed by 2018, which will, indeed, introduce the possibility that South Australia will become the first totally renewable energy state in Australia.

South Australia has 517 accredited solar installers; 16 wind projects of 561 turbines and 1,205 megawatts of capacity. Today, Tindo Solar, which makes the only Australian produced solar panels, and other solar industry representatives, are saying that there will be damaging job losses in South Australia—which is already experiencing significant job losses in many
other areas of manufacturing—if the renewable energy target is changed and reduced. The predictions are that large-scale solar will beat wholesale coal power pricing anywhere in Australia by 2020 in less than five years.

When we come back to the closure of the coal fired power stations near Port Augusta, we also know that there is an extremely strong community push—from the residents, from the council and from many others—for a concentrating solar thermal plant. There has been a lot of work done on the feasibility of that plant, with a potential for baseload power to be created there using molten salt. It is a very exciting initiative. There is a lot of enthusiasm in the community and, as I said, from the council, because there has been a long history of damaging health effects from coal fired power stations in Port Augusta. Moving to a solar thermal power station would be an amazing opportunity for South Australia to showcase baseload power. There would be jobs available for the existing power workers to be able to work there and there would also potentially be jobs in manufacturing, in creating the components—the mirrors and the panels—which would be used in any associated wind farms as well.

There are a lot of good things happening in South Australia. It is absolutely imperative that those things are happening in South Australia, because it is a state where there are significant challenges in terms of other manufacturing. It is a state which the current government are ignoring at this stage. If they are insistent on going ahead and allowing the passage of this legislation to further undermine the renewable energy target, that will only make the situation far worse for South Australia. So I urge my colleagues to think seriously about this legislation, to think about the future and to think about what we are doing. I urge them not to be beholden by short-term interests in maintaining and propping up an energy source that we know has health effects, is contributing to climate change and is more expensive than the alternatives; I urge them to vote against this legislation.

**Senator COLBECK** (Tasmania—Parliamentary Secretary to the Minister for Agriculture) (21:16): It gives me pleasure to rise to make a contribution to the debate on the Renewable Energy (Electricity) Amendment Bill 2015. I particularly make some comments in relation to the government's addition to the scheme for the utilisation of biomass as part of the renewable energy sector.

**Senator Singh:** Already!

**Senator COLBECK:** I did say that I would give you something to interject about, Senator Singh.

I have to say at the outset that it really mystifies me why the Labor Party appears to be so opposed to this. The Labor Party themselves, when in government, and the rural affairs committee in the House of Representatives, chaired by former member for Lyons Dick Adams produced a very good report called *Seeing the forest through the trees*. One of the recommendations in that report was that native forest should continue to be able to be utilised in the generation of renewable energy, as it was then under the regulations that stood at that point in time. Because of a deal done with the Greens, and because of the Labor Party not having the strength or the courage to stand up to the Greens in the circumstances that they were in in government at the time, the Labor Party brought in regulations to prohibit the use of native forest residue to be utilised and to qualify for renewable energy credits.
There are claims being trotted around here by organisations such as The Wilderness Society, the Australian Conservation Foundation and Environment Tasmania that this will bring devastation to the environment and to native species around the country. Yet that is not what happened when these regulations were in place previously. It is not what happened at all. So the suggestions of devastation from the Greens demonstrate that nothing has really changed about the Greens.

The Greens will say absolutely anything to justify a particular cause at a particular point in time. We have had plenty of evidence of that. Obviously, they are doing it now; they are trying to demonise this particular initiative that the government has put forward. I recall that in the 1980s the Greens were actually campaigning against renewable energy in Tasmania. Bob Brown, who later became a senator and spent some time in this place, was campaigning against hydro-electric development in Tasmania. What was he suggesting as an alternative? Bob Brown, at that point of time, was actually suggesting the construction of coal fired power stations in Tasmania as an alternative energy source to renewable hydro-electricity.

Senator Wright and Senator Singh were having a bit of a debate about how much renewable energy is produced in what states. I think that the correct number is that Tasmania produces something like 40 per cent of Australia's renewables through our hydro-electric schemes. As I said, the Greens campaigned against those schemes and proposed the construction of coal fired power stations in Tasmania. I wonder what might happen to someone who proposes that now. But that is what the Greens did, demonstrating that they will say anything in their cause at a particular point in time. It does not have anything to do with fact or science; that is just the way that the Greens work, and so it is with this particular issue. The science is really quite clear in relation to using forest residues as a source of renewable energy, and you do not just have to take my word for it. In Europe, the WWF, along with the European Biomass Association, have a target of 15 per cent of energy from renewables coming from biomass by later this decade. So the WWF is on the program in relation to this.

I have a document here that was published in Future Science. It is not just one piece of science but a compilation of global science, and it looks at life cycle impacts of forest management and wood utilisation on carbon mitigation. It says:

Using forest residual biomass as feedstock for utilities produces only 4% of the emissions from coal.

If the Greens are looking for a source of a reduction in emissions when compared to utilising coal, a compilation of science published in Future Science says that you can reduce your emissions by 96 per cent by using residual forest biomass as a feedstock for utilities.

Now, do the Greens support reducing emissions or don't they? I think that is a very good question, because the IPCC also promotes using biomass as part of the process, using sustainable forest management as the basis of that process. And that is what we are talking about here in Australia. We are not talking about mass entry into the forests, to utilise them for generating energy; we are talking about using materials that come from forest operations that would otherwise occur and using the residues from that process to generate energy. It simply makes sense. In fact, the IPCC states:

In the long term, a sustainable forest management strategy aimed at maintaining or increasing forest carbon stocks, while producing an annual sustained yield of timber, fibre or energy from the forest, will generate the largest sustained mitigation benefit.
That statement comes from the IPCC. Yet the Greens like to quote the IPCC ad nauseam when criticising the coalition or anyone else who does not agree with their view of the world. But of course it becomes inconvenient for them when they are dealing with this particular matter. The process is also supported by the FAO; it is supported by CSIRO. So there are multiple sources to support the basis of utilising native forest residues, utilising biomass, to generate energy based on sustainable forest management principles. And that is exactly what we are talking about. The regulatory regime that we are proposing under this legislation mirrors the regime that previously existed and that did not lead to wholesale harvesting of the forest for generating energy, using biomass. It did not. Why? Because the principles of sustainable forest management were at the forefront of that regime. We have in our systems a high-value test that says that the primary purpose for harvesting cannot be for generating energy.

The Greens utilise the *Dirtier than coal* report, out of the UK, which is a critique of the UK bio-energy strategy that allows burning whole trees for energy production. It completely dismisses or, more to the point, does not take into account the strategies that we have here in Australia, which are based on sustainable forest management. We do have good forestry management in this country. The reality is what the Greens are trying to do: their objective is to kill the entire native forest industry in this country. Their objective is to close down the entire native forest industry in Australia, firstly, on public land and then on private land. That is their objective. They want to take away any opportunity that industry has to utilise the residues because they know that if they destroy the utilisation of the residue stream they bring down the entire industry.

So this has got nothing to do with renewable energy; it has to do with an economic attack on the forest industry. They use conservation as an excuse, but they conveniently forget that we come from the premise of utilising residues from sustainable forest management. And I really do not understand why the Labor Party are not on board with this. The report of the committee, chaired by their own Dick Adams—a bipartisan committee and a bipartisan report, supported by both Labor and the coalition—recommended this. Two days later, at the behest of the Greens, the regulations changed. The suggestion that this is a last-minute entry into the negotiations would be one of the biggest furphies perpetrated by the Labor Party in recent times. The Labor Party knows that this has been a part of coalition policy right through the last election. The Labor Party knows that we worked with the then crossbenchers in the House of Representatives to have the regulation that they brought in overturned, at the behest of the Greens. The vote in the House of Representatives was tied; it was lost on the casting vote of the Speaker. So the suggestion by the Labor Party that this is a last-minute entry into the process is quite simply dishonest. But why would you expect anything else from the Labor Party?

This provision quite sensibly provides, based on sustainable forest management, the opportunity for an alternative revenue stream, an alternative use of native forest residues for the Australian forestry sector. It provides a way forward, particularly perhaps in the southern forests of Tasmania where the industry has no outlet for the utilisation of its residues. There are mountains of it piling up in the south—

Senator Lambie: A fire hazard!
Senator COLBECK: Senator Lambie, I will take your interjection because that is exactly right: it is a fire hazard. In fact, during the tragic bushfires at Dunalley a couple of years ago the residue stacks around that sawmill at Dunalley were one factor in the destruction of that sawmill. Yet the Labor Party sits by and allows this process to continue while hardworking and honest timber workers in the southern forests of Tasmania have their livelihoods threatened by the fact that the Labor Party here in Canberra will not support their livelihoods, despite the fact—

Senator Singh: I rise on a point of order, Mr Acting Deputy President. The parliamentary secretary is highlighting livelihoods being threatened, when it is in fact this government that has thrown thousands of livelihoods of Australians—

The ACTING DEPUTY PRESIDENT (Senator Back): Senator Singh, with respect—

Senator Singh: working in the renewable energy sector for the last 20 months—

The ACTING DEPUTY PRESIDENT: Senator Singh, that is a debating point, as you know. Senator Colbeck, please resume.

Senator COLBECK: Mr Acting Deputy President Back, Senator Singh is developing a bit of a habit of raising debating points as points of order and was warned by the previous occupant of the chair for this practice.

Senator Singh: You encouraged me!

The ACTING DEPUTY PRESIDENT: Resist the encouragement, Senator Singh!

Senator COLBECK: The Labor Party does endanger the livelihoods of forest workers in Tasmania, despite the fact that the Tasmanian division of the Labor Party and Labor opposition leader Bryan Green have come out in support of this measure. He wants Tasmanian Labor senators in this place to support the forest industry in Tasmania. I wonder why they will not do it. There is no rationale for them not doing it.

Senator Singh could perhaps have a chat to Dick Adams, Sid Sidebottom or Geoff Lyons, who all lost their seats at the last election. I can tell you that one of the reasons Dick Adams lost his seat, after a swing of over 13 per cent, was that the forest industry workers in Tasmania found that, when they really needed him, because of the stance of the Labor Party he could not be relied on. He could not be relied on, despite the fact that he had brought out a report supporting the use of native forest residues in the renewable energy target. Two days later, the Labor Party dudged him. The result was a swing of over 13 per cent against the Labor Party. Yet the Labor Party in this place still will not support forest workers in Tasmania, or anywhere else around the country, although there is very clear evidence that, based on sustainable forest management, utilisation of the residues of native forests for the generation of energy can reduce carbon emissions by up to 96 per cent.

You really wonder if the Labor Party are at all genuine in this debate. They cry; they caterwaul; but, when it comes to the real substance of the issue, when it comes to supporting workers in the forest industry, when they are really needed they are not there—and forest industry workers actually know that. I stood around the tailgate of a four-wheel drive in the forest in Northern Tasmania with some workers and they said, 'We've all voted for Dick Adams in the past, but not anymore, because when we really needed him he wasn't there.' You would have thought, Mr Acting Deputy President Back, that the Labor Party would have learnt their lesson.
So, the suggestion that this is a last-minute thing is a complete misrepresentation. It is a falsehood. It is a furphy. It is dishonest. Supporting the forest industry was written into our election policy at the 2013 election, and I am very pleased that we have now put that provision back into legislation so that we do have a genuine opportunity to reduce carbon emissions over the utilisation of coal by using native forest residues, sensibly based on sustainable forest management as supported by the UN's FAO, as supported by the IPCC, as supported by the CSIRO and as supported by so many high-quality, world-renowned forest scientists in this country.

Senator XENOPHON (South Australia) (21:32): At the outset, I indicate and express my support for the renewable energy target. I believe that it is an instrumental part of Australia's climate change policy and that it has been a driving force behind investment in renewable energy, but there have been a number of issues in respect of it which I will address shortly. I do believe in anthropogenic climate change. I believe that it does happen, that we need to address it and that, to quote Rupert Murdoch, we need to give the planet 'the benefit of the doubt'. I think we need to have a number of effective policies in place.

The nub of the issue is: how do you reduce greenhouse gases as effectively as possible and in the most cost effective way possible? I think that having an efficient emissions trading scheme is the best way. Having a market based mechanism is the best way in the longer term. That is not the policy of this government, but I have worked very hard in the context of the Direct Action legislation on the Emissions Reduction Fund, working constructively with Minister Hunt and his very capable advisers, to drive a number of amendments that I think make the Emissions Reduction Fund much more robust and much more effective, with a safeguard mechanism that has real teeth. The framework is there. The government need to honour their commitment to make sure that a practical effect of the legislation is a safeguard mechanism.

As I said, the issue is: how do you drive the best possible reduction in emissions as efficiently as possible? Back in 2009, when Hon. Malcolm Turnbull was opposition leader, Mr Turnbull and I jointly commissioned Frontier Economics to prepare an alternative emissions trading scheme that was based on energy intensity. It was considered. It was thoughtful. The predictions made by the Managing Director of Frontier Economics at that time, Danny Price, proved to be very much true: having a scheme involving a lot of revenue churn would be economically inefficient and not as effective as it could be in environmental terms. That is why I still maintain that what was proposed by Frontier Economics in the report, study and modelling commissioned by Malcolm Turnbull and me back then would have led to greater reductions in emissions at a more affordable price and that it was a better option. Sadly, politics got in the way. Malcolm Turnbull was no longer opposition leader. He lost his leadership essentially over the issue of the ETS—it has claimed a number of casualties over the years. As a consequence, we ended up with a policy that I thought was clunky and inefficient.

I think Direct Action will work and has worked, but there is more work to be done. What we are facing here in relation to the renewable energy target is a scheme that, in my view, has needed amendment, because when the scheme was designed a number of years ago, with bipartisan support, it was anticipated that renewable energy would make up about 20 per cent of overall energy consumption. There are a number of reasons it has not, including energy
efficiency measures that have been effective; but also, sadly and tragically, the demise of the manufacturing industry in this country has meant that a number of major manufacturing facilities have closed down, which has reduced the demand for electricity, particularly amongst energy-intensive industries. It is important, however, that we have some certainty for this industry. Discussions around changes to the RET, the repeal of the carbon tax and the proposed abolition of the Clean Energy Finance Corporation, amongst others, have sent a message of uncertainty. I think certainty is important, but it must be with a robust framework that will deliver results in the most effective possible way, both for consumers and for taxpayers. That is why, despite the target being lower than I would like ideally, and despite there being no carve out for technologies that can provide baseload power, I will be supporting this legislation broadly. But I will focus on the issues of wood waste and biomass, and also the issue of wind energy, because I see them as inextricably linked in relation to this.

In relation to the issue of wood waste, an article on 5 June in the RenewEconomy publication gave a summary of some of the arguments. It mentions Ross Hampton, the CEO of the Australian Forest Products Association, who said on 15 May that biomass used for electricity would be a very small amount. He downplayed his own initial estimate to the Warburton review of the 3,000 to 5,000 gigawatts of power a year, admitting that AFTA had put the figure to the review panel, but saying that it was a very theoretical number. I have dealt with Mr Hampton and worked with him constructively in the past, and I hope to continue to work with him constructively in the future. Perhaps it was better that that very theoretical number was not put to the Warburton review, although I do have my serious doubts about the effectiveness of the Warburton review, its robustness and a whole range of other matters. I thought that it was not a very good exercise in having a robust, independent review. I do not think that it was anywhere near as credible as it needed to be. Perhaps some of my colleagues on the other side of the chamber will say that I am being too kind, and maybe I am.

In relation to the issue of biomass, in the pre-2011 regulations, according to the RenewEconomy publication, which I think gives a neat summary, 'there were certainly very few biomass projects to receive Renewable Energy Certificates'. The article goes on to say the:

... post Regional Forest Agreements decade was a period of almost boom conditions for the woodchipping industry. Both prices and export volumes increased to record levels and profits were high. It would have been impossible for the energy industry, with or without Renewable Energy Certificates to compete with the prices the industry was getting for woodchips for fibre.

Some commentators would make the point that things have now changed and that this could loom larger in terms of the issue of biomass, but let us put this into some perspective. Biomass can produce methane, which is 15 times more potent and more damaging to the environment than CO2. It needs to be dealt with. There is also the issue of fire hazards, and I think that is a real issue in terms of appropriate clearing. Mr Acting Deputy President Back, given your role with the Country Fire Association in WA, I think you know about the issues and risks with bushfires, and I hope you do not mind me mentioning that, given your expertise and your history in relation to that. I do not know whether the issue of biomass will be the saviour of the forestry industry, as the industry is saying, and I do not think it will have the uptake that some in the environment movement are fearing. But I think it is important that there must be some adequate safeguards, and that is something that, from my point of view, is
still subject to negotiation. I understand there will be some further amendments in respect of this issue, and I am grateful to my colleagues in the Greens—Senator Waters and Senator Rice—who I have had discussions with and will continue to have discussions with about this.

I think it is important that in the committee stage there is a robust debate and discussion about this, and that questions are appropriately answered. I think people know that my view in relation to procedural matters is to bring on a debate. Sometimes it is appropriate to say that we need to have a set time for this, but when it comes to the committee stage of a bill there ought not to be a gag. If we have to spend all week here, if we have to spend the weekend here, or if we are here for the next month debating this, if it is the will of the chamber not to cut off debate then my view is that we need to thoroughly canvass these issues. That is why I say now, as I have previously when it comes to the substantive debate of a bill, that I will not support a gag. In regard to the issues relating to biomass, I think we need to see what further amendments there will be and what undertakings will be made by the government. I think the committee stage is the appropriate stage to deal with those amendments.

I want to refer to Frontier Economics, who, back in September 2014, issued the paper 'Can Australia still meet its emissions target with changes in the RET?' The people at Frontier Economics are pretty dispassionate. They made the point that the RET 'is a relatively high cost approach to reducing emissions because it focusses on specific forms of electricity generation', and that it has contributed to a large surplus of generation capacity. They are simply stating facts about how the national electricity market works. They make the point:

The RET does not generate an increase in wealth in the economy, but leads to a transfer of wealth among participants in the electricity market.

In that respect, it is being critical not of the RET per se, but of the way that it is operated and particularly of the way that wind energy—and this is also my view and the view of others—has distorted the national electricity market because it is not baseload. It is intermittent and unreliable, and if you have a heavy reliance on wind, as there is in my home state of South Australia, it can, and does, have an impact on the market. Frontier Economics has made some good points about this, and their overall thrust is that there are better and more efficient ways of reducing greenhouse gases than simply using the RET by itself. It needs to be a whole package of measures. I see the advantage of the RET as one of driving technological change, in the sense that it drives efficiencies for solar panels; for solar-thermal generation, which is very exciting in terms of its potential for baseload power; and for other forms of renewables such as landfill gas. Soaking up that methane from landfill not only is essential from an environmental point of view, but does provide baseload power, which is very important. If you want to shut down thermal generators, coal fired generators, you need to have the backup of baseload renewable alternatives, and that is why solar thermal is important.

In that regard, given the announcement made last week by Alinta Energy concerning Port Augusta, in my home state of South Australia, the importance of the Solar Cities project and the importance of finding the funding and the financing for the solar thermal project in Port Augusta take on an added significance. It is something that I have raised with the Minister for the Environment on a number of occasions, it is something that has an added urgency to it and it is something that I have raised with the Clean Energy Finance Corporation in broad terms.
In the course of this debate, this cannot be simply seen as a silo about a renewable energy target and the issue of wood waste. It is also worth mentioning, most importantly, the issue of wind generation. I have serious concerns about the proliferation of wind turbines in Australia in terms of both their economic impact and their community impact. I know a position is taken by some, which I consider to be unfair, that there is a nocebo effect—that somehow this is some sort of psychosomatic illness of communities. Just last week, Mr Acting Deputy President Back—and you were there as well—at the hearing of the Select Committee on Wind Turbines we heard from two residents in South Australia who were hosts of wind farms. They are receiving something like $200,000 a year from the proponent for hosting the wind farm. They, basically, had their lives disrupted significantly because of the noise and the vibration of the wind turbines. The power company effectively had to spend a fortune on their home to block the noise as much as possible. Those people were brave enough to speak out that there is a real issue there.

I am calling for a commitment to some independent scientific assessment of this—objective science and objective measuring of the noise and other issues including infrasound. Even the levels of acoustic noise need to be dealt with, and that is why I was very pleased to support Senator John Madigan's bill in respect of wind turbines and excessive noise. That is what we need to revisit. We need to give those communities a sense of empowerment. If the current rules are being breached, they need to be enforced. The current rules need to adequately reflect the science and the genuine concerns of the communities around noise and sleep disturbance—if you do not sleep, it has health effects. These are the issues that need to be dealt with in the course of this debate.

I want to briefly mention, before we go to the adjournment debate, matters that have been raised with me by Susan Jeanes of Jeanes Holland and Associates. Susan Jeanes is a former coalition member for the electorate of Kingston. I think it is fair to say that she would be described as a moderate—Senator Birmingham is chuckling. I do not know what that means, but I have a lot of respect for her. There is a nod there and hopefully the respect is mutual, Senator Birmingham. She is someone who has advocated in this space and is a great proponent of large-scale solar projects and of ensuring that those forms of renewables that are more reliable and do not have the same level of community impact and disruption get a fair go. I am very grateful for a short paper that Susan Jeanes provided to me. Issues were raised around the role of the Clean Energy Finance Corporation, which I believe has an essential role in climate change to be involved as a guarantor for power-purchasing agreements for smaller retailers, to create a focus on Australian solar projects for the low-cost, very active US bond market, and to have longer than usual debt-financing terms so that you can encourage those more reliable forms of renewable energy, including large-scale solar, landfill gas and genuinely new hydro—because it is a form of baseload renewable. I know there is some controversy about that. My colleagues in the Greens may have a different view, but we need to encourage baseload renewables and those more reliable forms of renewable energy. The problem is that there currently are not enough incentives for those baseload renewables.

I will conclude my remarks in the second reading debate now. I look forward to the Committee of the Whole stage, which I expect will be robust and contentious, but I hope we get to a suitable conclusion.

Debate interrupted.
Magna Carta: 800th Anniversary

Senator McGrath (Queensland) (21:50): As I speak, Her Majesty the Queen is leaving a meadow within sight of Windsor Castle at a place called Runnymede. From ancient times, through the Middle Ages and to the modern era, whenever people have been oppressed by conquerors, rulers and unjust governments, they have fought to live free from the undue interference of the state. However, there is one act that has done more to advance the cause of democracy, freedom and liberty throughout the world than any other.

Eight hundred years ago today, a despotic king affixed his wax seal to a large sheepskin parchment in that meadow by the River Thames, striking a peace bargain with restless, cranky feudal lords. Magna Carta, the great charter, is the wellspring of the fundamental democratic principles that have come to define the polity of Australia and all free nations: limited constitutional government, the rule of law, the primacy of individual liberty and taxation with the consent of the governed. In times of darkness, it has been this axis of enlightenment underpinning Magna Carta that has been heralded by freedom fighters and revolutionaries in their pursuit of liberty. Yet no-one could have foreseen that the events at Runnymede would precipitate legal, cultural and political consequences that would, over the centuries, resonate to the far-flung corners of the old world and the new.

The Magna Carta—more precisely, the 1215 issue, as there were modified versions in 1216, 1217, 1225, 1297 and 1300—was almost entirely a product of the peculiar disputes that had arisen between King John of England and his barons. King John, by all accounts, was a terrible king, a terrible man—numero uno in the bad king stakes, a villainous man who inspired some of the tales of Robin Hood. John had inherited one of the largest territories in the world at the time, comprising England, much of the British Isles and the western parts of France. But through a series of disastrous military campaigns, which severely drained the royal coffers, John lost most of his French territories to King Philip II of France. To finance his war efforts and to maintain his rule against internal dissent, he levied burdensome taxes, stripped lands and property in satisfaction of unpaid debts and imposed harsh penalties. Barons across England and church leaders, including the Archbishop of Canterbury, Stephen Langton, had become increasingly frustrated with John's rule. They appealed to the king to end his tyrannical ways and honour the traditional liberties owed to them. Naturally, the king stalled, obfuscated and flat-out refused. However, through clever rhetoric from Langton and tactical manoeuvring by the barons, including the capture of the royal capital, London, John's opponents amassed the political momentum needed to force the king to make terms reluctantly in that meadow at Runnymede.

The 1215 Magna Carta's 63 clauses dealt with all manner of topics. They included famous clauses that echo the notions of justice according to the law of the land, due process and trial by jury that exists as the cornerstones of our modern legal system. Clause 38:

No bailiff shall in future put anyone to trial upon his own bare word, without reliable witnesses produced for this purpose.
Clause 39:

No free man shall be arrested or imprisoned or disseised or outlawed or exiled or in any way victimised, neither will we attack him or send anyone to attack him except by the lawful judgement of his peers or by the law of the land.

And clause 40:

To no one will we sell, to no one will we refuse or delay, right or justice.

Clauses 12, 14 and 15 stated that ‘No scutage nor aid shall be imposed on our kingdom, unless by common counsel of our kingdom’ and established a method for seeking that common counsel from the clergy, barons and free landholders.

You can hear the early whispers of parliamentary democracy and the rallying cry of the American revolutionaries 5½ centuries later: no taxation without representation. However, the 1215 Magna Carta largely dealt with issues specific to life in a feudal England: the rights of the church, marriage and inheritance, property and debt disputes, knights’ fees, bridges, forests, and fisheries on the Thames. But to oversee John's compliance, it also established a powerful council of 25 barons who were empowered to inflict military retribution upon the king—indeed, a revolutionary concept in the time when kings ruled by divine right. This meant that even the king himself would be made subject to law. However, the 1215 Magna Carta was an abysmal failure in reconstructing English government. It did not itself become law. King John successfully sought recourse from Pope Innocent III, who declared it null and void of all validity forever. The result was war between the king on one hand and the barons and the invading Prince Louis of France on the other hand, a conflict that did not subside until after John's death and his son's, Henry III's, accession to the throne.

Why, then, has Magna Carta—a list of obscure baronial demands written in mediaeval Latin, with limited references to matters of modern relevance—become such a celebrated symbol of liberty? It was not the first such charter granted by an English king agreeing to limit their absolute royal power. For example, the Charter of Liberties granted by Henry I upon his coronation in 1100, a forerunner of Magna Carter, had sought to guarantee certain rights to the church, nobles and other subjects that was almost entirely ignored by the crown. And the 1215 Magna Carta almost became a historical footnote as the war raged across England. Perhaps it is because the story of Magna Carta is the story of humanity's struggle for freedom. It is a story of countless challenges against the oppression of the state and incremental renewal.

For the legacy of Magna Carta is not just about the barons and King John or the documents sealed at Runnymede. It is about what happened next. When that boy king Henry III, through his regent, William Marshal, the Earl of Pembroke, and the papacy reissued the Magna Carta in 1216, many of the contentious provisions relating to the dispute were deleted. So too were the provisions relating to taxation by consent. But those regarding the rule of law remained. The reissue in 1217, in concert with the Charter of the Forest, again tempered the terms of the charter. But slowly, by the time Henry became of age, the notions underpinning Magna Carta were becoming politically entrenched. The 1297 charter was the first one to be enrolled on the statute books—that is, to become law itself. The reissue in 1300 confirmed the charter’s status in the foundations of English common law which would over time be exported across the globe with the rise of the British Empire—imperialism that allowed the principles of enlightenment to be spread to the new world. Just as Magna Carta was refined over time, so
too have the principles of liberty for which it was sought. When British monarchs later flouted
the law, their subjects' appeal was to Magna Carta and the rights it imbued in all English men
and women, even against the crown. When American colonies felt oppression from King
George III, not as independence fighters but as British subjects, the appeal was to Magna
Carta, equality before the law and a guarantee of life, liberty and property free from state
interference. And when the framers of our own Constitution sought to build the Australian
nation, the fundamental appeal to constitutional government, democratic liberties and justice
were paramount.

A few hundred metres from where I am speaking tonight, Australia has one of the four
remaining copies of the 1297 charter displayed for the public here in Parliament House.
Australia's charter was originally sent to the county of Surrey, which contains Runnymede. It
is hard to imagine a more fitting representation of the heritage of common law liberties that
we possess in Australia than this. The challenge for all of us, 800 years after Queen Elizabeth
II's ancestor in title sealed that great charter, is not to seek a new charter or fabricate a new
declaration of rights but the opposite. We do not need or seek or desire a Magna Carta for the
21st century. Our parliamentary system works very well, thank you very much.

Our challenge is King John—the cornucopia of King John, which in Quisling-like fashion,
are a demented anathema to liberty; the new King John who imposed new taxes without
mandates, like the Labor Party; the new King John who imposed separate laws for special
classes of interest groups, like those who want to bring in sharia law; the new King John who
imprisoned individuals and thoughts within politically correct ideological prisons, like those
in certain media organisations and Leftists; the new King John who wished to restrict access
to resources and limit wealth to a cabal, like those in the Greens. The battle for freedom and
liberty in the face of tyranny is a continuous struggle that weaves its way through the course
of human history. (Time expired)

Kirner, Ms Joan Elizabeth, AC

Senator McEWEN (South Australia—Opposition Whip in the Senate) (22:00): Tonight I
wish to pay tribute to a truly great Australian woman, the Honourable Joan Elizabeth Kirner,
AC, former Premier of Victoria, former Victorian Minister for Conservation and Minister for
Education, founder of EMILY's List Australia, feminist, community campaigner, mother,
grandmother and Labor legend.

I was privileged to attend Joan Kirner's state funeral in the Williamstown Town Hall, in
Melbourne, on 5 June. Joan had died a few days earlier, on 1 June, after an illness that might
have slowed her down physically but never slowed her brilliant mind; nor did it slow her very
big and compassionate heart. Joan's memorial service was truly a celebration of her life. There
were hundreds of people in attendance, including family, friends, current and former
politicians—both Labor and Liberal—premiers, trade unionists, community organisations,
churches, school children, footballers and so many of the people whom Joan Kirner
represented and stood up for during her time as the member for Melbourne West and later for
the Legislative Assembly seat of Williamstown, and indeed throughout her life.

All of us at the service were entertained by the speakers who shared their memories of the
many different dimensions of Joan's extraordinary life. Her cousin told us of her early life
where her intelligence and determination made sure the working-class girl from Essendon got
to university and her grasp of strategy and planning enabled her and her cousin to liberate
some unfortunate dogs, including her own, that had been nabbed by the local dog catcher. Her passion for education was evident from a young age when, with other mums, she campaigned against large class sizes and for more teachers in public schools. This campaign included organising a sit-in at the Minister for Education’s office—the kind of campaigning that attracted the all-important media attention, garnered support for the campaign and achieved results. Joan was a truly great campaigner for education, for the environment and for women.

Her passions were evident in the music chosen for her service. There was Paul Kelly and Kev Carmody’s *From Little Things Big Things Grow*, a classic serenade, of course, to grassroots campaigning. But I have never been to a funeral where there was a singalong by mourners to Helen Reddy’s iconic song, *I am Woman*, and I have to say that it was great to be part of that particular part of the service. While Candy Broad, former Victorian Labor minister and Joan’s friend and former staffer, was the only politician who spoke at the service, there were plenty of current and former politicians who later and before the funeral offered other tributes. For example, former Prime Minister Julia Gillard said:

> For a generation of Labor women, including me, she was an inspiration and a mentor. We admired her stoicism. We celebrated her policy achievements. We were guided by her wisdom.

Current Labor Opposition Leader, Bill Shorten, noting the fact that when she married in 1960 Joan became ineligible for a permanent teaching contract, said:

> It was an act of unfairness she never forgot and a marker of the inequality she dedicated her life to overturning. Joan looked at politics and refused to accept the status quo.

Not accepting the status quo was certainly a hallmark of how Joan Kirner lived her life and how she used the opportunities life gave her.

The struggles she had as a woman in the Labor Party in the early 1980s to get preselected for a relatively safe seat reminded us all that Joan’s determination to get more women into politics was informed by her own experiences and her strong belief that a progressive party needed women in its parliamentary ranks to ensure progressive policies and legislation were put on the agenda, fought for and legislated. It was this determination that inspired her and other progressive women, including former Prime Minister Julia Gillard, former WA Premier and House of Reps member, Carmen Lawrence, and many other women of foresight and strength, to establish EMILY’s List Australia.

Starting off as an entirely volunteer organisation, with Joan as its unpaid coordinator for some eight years, EMILY’s is proudly a feminist organisation whose members support and advocate for the principles of equity, affordable and accessible childcare, diversity and reproductive choice. We do this by offering practical support to women Labor Party candidates who support EMILY’s List principles. That support includes mentoring, fundraising, networking, campaign training and campaign support. Since those early days when Joan was the unpaid co-convenor, EMILY’s still relies on volunteers to do so much of its work, but these days it has the luxury of having some paid staff as well. Since its inception, EMILY’s List has supported over 400 women candidates and has seen more than 200 of those elected to parliaments around Australia. Labor is proud of the amazing women in our ranks, including foundation members of EMILY’s List: shadow ministers Tanya Plibersek, Senator Penny Wong and Senator Claire Moore, a former co-convenor of EMILY’s List.

Labor has had a woman Prime Minister and women premiers in all states and territories except, sadly, South Australia: Anna Bligh, Carmen Lawrence, Kristina Keneally, Clare
Martin, Lara Giddings, Senator Katy Gallagher and now Annastacia Palaszczuk in Queensland. As well as providing mentoring and support, EMILY's List members were instrumental in securing the ALP's affirmative action rules that have ensured women get preselected to a fair—but not yet fair enough—proportion of winnable seats. Of course, we still have achieved true equity in that regard, and this year's ALP National Conference will see EMILY's List advocate for an increase in the affirmative action target to 2050. I am sure Joan will be looking on to see how we go.

I am not sure exactly when I met Joan Kirner, but I will never forget the first phone call I had from her. I had joined EMILY’s List in 2002 and was preselected for the Senate in 2004. Joan Kirner rang me up to offer to be my EMILY’s List mentor during the election campaign, and for however long I wanted her to be there for me. I was humbled to think a woman whom I admired so much, who was so busy and who was such a legend, would make that call. But that is the way of EMILY’s List; it is about supporting the next generation of women into politics.

I know I was only one of the many candidates Joan Kirner supported but, despite all the demands on her time, she would ring and later email me, from time to time, to see how things were going, to give an opinion, to acknowledge a speech I might have made or just to make contact. When she was ill and frail, Joan would still come along to EMILY's List fundraisers and events, and I am sure she was still attending many other community events for as long as she was able to.

The book she authored with Moira Rayner, the Women's Power Handbook, is still a good read, written by someone who, as Bill Shorten said, understood power and knew how to use it. Joan Kirner sought power, got power and used it—in her embracing and unassuming way—for the good of women and for the good of her community. When I left Joan Kirner’s memorial service for the airport, my Comcar driver, who was a local, pointed out to me the community parks, walking paths, heritage buildings and other community facilities that Joan Kirner fought for both when she was in parliament and later.

These practical things were just some of the legacy of a woman who came from humble beginnings, who became a Premier and who never forgot the people who supported her along the way. We have much more to do, Joan, but your legacy will continue to inspire us to do it. I offer my condolences to her husband, Ron, her children and her grandchildren and to all my sisters at EMILY's List.

**Magna Carta: 800th Anniversary**

**Senator MILNE** (Tasmania) (22:09): Before I begin to discuss the legacy of the Magna Carta I would like to join and congratulate Senator McEwen on her remarks in relation to Joan Kirner. I endorse them, absolutely. Tonight we are all very well aware that it is 15 June and we are celebrating the 800th anniversary of the Magna Carta.

I find it extraordinary that it is the conservatives—who say they stand for law and order—who are now out celebrating the Magna Carta, standing here tonight, talking about the Magna Carta, and yet in Australia we are in a really serious situation, where we have a government abandoning the rule of law. We have an amazing situation where the Magna Carta said, very clearly: 'No free man shall be taken or imprisoned, or stripped of his rights or possessions, or
exiled or deprived of his standing, in any way, except by the lawful judgement of his equals or by the law of the land. To no one will we sell, to no one deny or delay right or justice.'

Gillian Triggs, the human-rights commissioner, made these references in a recent speech. She pointed out:

It is the symbolic power of Magna Carta that informs my concern that supremacy of the law over the sovereign (or in today's parlance, executive government), is under threat in Australia's contemporary democracy.

She is absolutely right. The rule of law should apply to everyone, equally. No government should be above the law. Yet what we have seen, for many years now—and increasingly so under this government—is government pretending it can be above the law. Today we discovered that it was from an Australian customs or Navy ship that somebody paid cash to people smugglers—bribed people smugglers—to return people to Indonesia.

It is, as many of the lawyers who have looked at this have said, a breach of section 73 of the Commonwealth Criminal Code Act, which prohibits people smuggling and could result in a term of 10 years jail. And yet we have heard Mr Ruddock, a member of parliament, saying the government would be saving money if it did pay-off people smugglers as opposed to having to look after people if they arrived here as asylum seekers. Paying off people smugglers amounts to bribery. The Indonesian Vice President, Jusuf Kallour, made that point today, and he is right. We have another Liberal MP, Andrew Laming, saying that even if the government were paying off criminal gangs it would not be of interest to his electorate.

How far have we descended in Australia? I go back to David Hicks. At the time, the Australian government abandoned the rule of law, made an assumption immediately that he was guilty and abandoned an Australian citizen to a foreign power that used torture to extract information and allowed hearsay evidence in trials. The Australian government did that. We have since had numerous examples of what I describe as a descent into chaos and brutality, as Australia's successive governments have abandoned the rule of law and have made laws which clearly infringe on our democratic freedoms, as Gillian tricks has said, 'of speech, association and movement, the right to a fair trial and the prohibition on arbitrary detention'. What have we come to in this country when the parliaments, successively, under Liberal and Labor governments, where the Liberal, Labor and National parties have gotten together and have actually passed laws that prohibit the absolute fundamentals of freedom of speech, association, movement and the right to a fair trial, and in relation to the prohibition on arbitrary detention?

When Reza Berati was killed, I thought that would be a line in the sand. But it was not. Nobody has been held to account for his murder. We have a four-year-old child being sent into indefinite detention, children being abused, sexual harassment and abuse of children, and yet this is deemed acceptable in Australia today. Well, it is not. It is an infringement of human rights. It is an infringement of the rule of law. Australia has gone rogue in terms of international law. It is only a matter of time before this goes to the International Criminal Court or to the International Court of Justice, in The Hague. It is only a matter of time, because you must uphold the rule of law. At some point, Australia must be brought into line. You cannot have a situation where a Prime Minister refuses to uphold the fundamental principle that everybody should be equal under the law. Who authorised money to be paid to people smugglers? Who authorised that—which minister, which Prime Minister? Or did
cabinet? We have a law that says you cannot pay people smugglers, and the Australian government has authorised the payment. That is a fundamental breach of the law.

I really think in Australia today we need to consider this because everybody should be subject to the law. Independent judges should be arbiters of the law, and governments must be accountable for their actions. If we abandon the concept that everyone should be equal under the law and that parliaments should be making laws based on human rights principles and fundamental elements of justice, then we are descending into chaos, inhumanity and barbarity. That is where this country is going when it comes to the treatment of asylum seekers. At some point it has to stop. We get this absolute chant that this is somehow saving lives. All it is doing is pushing people back up the chain even further—and we have seen all the deaths of the Rohingyas, in particular, in recent times. We are pushing people further back. The reality of this century is there will be mass displacement of people as a result of war, conflict, global warming, extreme weather events and displacement of people. These things are already happening.

I just want to put a real challenge to the people of Australia. If you stand by and allow governments to behave as if they are above the law, then you are completely denying a fundamental principle on which our democracy is based. If you stand by and allow governments to abandon the law, do you think that when the time comes for you to face justice you will actually get justice? You will have nowhere to go, as we have learnt in other instances in the 20th century. Everyone must be equal under the law. This Prime Minister is not above the law when it comes to the criminal code and paying the traffickers in human misery.

Housing Affordability

Senator CANAVAN (Queensland) (22:19): I want to speak tonight about the affordability of housing in Australia. It is certainly something that I am passionate about myself, having been a first home buyer post the house price boom that we experienced at the beginning of this century. I bought that house here in Canberra, and it was a difficult market to buy in. But I have also now moved to a regional town, Yeppoon, just outside Rockhampton. It is certainly a tale of two cities. The housing affordability issues are not necessarily the same in regional towns and centres as they are in our major cities. I think it is sometimes unremarked enough that one of the solutions perhaps to the issue Australia has with affordable housing is to develop new cities and new opportunities where land supply is not as scarce and housing affordability, therefore, would be improved.

At the moment the median house price in Sydney is around $930,000—a remarkable figure. In Melbourne, it is $688,000. For all capital cities it is around the $660,000 mark. But when you go to regional Australia, you get prices at around half that amount. Indeed, I will just focus on some towns in Queensland were I am from. In Cairns, the median house price is $380,000; in Charters Towers it is $207,000; in Townsville it is $350,000; in Bundaberg it is $275,000; in Gladstone it is $356,000; in Mackay it is $370,000; in Rockhampton it is $294,000; and in Toowoomba it is $350,000. It is very much affordable on today's average wages. So the question should be asked: if we are serious about housing affordability, why don't we spend more time considering developing our regions as a solution to this issue rather than simply focusing on the solution or the answer in our capital cities? It is not that no-one has made this point before; I just think it is one that does not get enough attention.
Around a decade ago the Reserve Bank looked at housing policy issues. It made a number of submissions to inquiries at the time. It was a time when housing affordability was coming to the forefront of our policy debate. The bank did comment in one of its papers on this issue that:

A possible reconciliation of this pattern—
That is, the high house prices and concentration of wealth in capital cities—
...may be the unusual concentration of Australia's population in two large cities. Average housing prices tend to be higher in larger cities than smaller ones. Therefore, the expensive cities in Australia drag up the average level of dwelling prices more than in other countries...

It is not something that goes unremarked but it is perhaps not remarked upon enough: that the concentration of our population in two major cities in a bit of a crescent in the south-eastern part of Australia limits our opportunities and makes it harder for younger families to get a start in life. Indeed, there was something I came across a few years ago called Zipf's law—and I am probably not pronouncing that right; I have only ever read it, not pronounced it, before. George Zipf was a Harvard linguist who came up with this ranked versus frequency rule which applies not just to the development of cities but also to linguistics and population settlement. It applies to commonality of use of words in different languages.

Zipf's law says that: a nation's second-largest city tends to be about half the size of its largest city; and its third-largest city tends to be about one-third of the size of the largest, the fourth-largest one-quarter of the size and so on and so on. For example, in the United States, New York—when it is defined as a city—has 8½ million, not in its larger contiguous area, but 8½ million. It is around twice the size of Los Angeles at 3.9 million, about three times the size of Chicago, four times the size of Houston and approximately five times the size of Philadelphia. There does not seem to be any reason or rationale for why that relationship holds, but it also holds for France, Mexico, Peru and for a bunch of other countries.

Australia is one of the few countries—the United Kingdom is another—where this law does not hold. Sydney has a population of 4.4 million and Melbourne has just over four million, and our top five largest cities, rather than gradually declining according to Zipf's law, fall away very rapidly. Only 17 Australian cities have a population of more than 100,000. Indeed, when you compare us to the United States—a country we are often compared with although we are so much younger—the top five cities in the United States have somewhere between five and 15 per cent of the population, depending on how you define it. Whereas, here in Australia, our top five cities have almost 60 per cent of our population; a remarkable difference. It probably goes a long way to explain the high cost of housing in this country.

In terms of trying to develop new cities to take the pressure off our major capital cities, I think we should not go west but move north to northern Australia. Our more recent successful cities as a nation have been developed in northern Australia. Of those 17 cities that are above 100,000, three of the youngest, or more recently settled, of those cities—Cairns, Townsville and Darwin—are in northern Australia and all have populations of over 100,000. Then you have got Mackay and Rockhampton sitting just below 100,000 as well. All of those cities were developed in more recent times; indeed, most of them were developed in the 1880s, just after the Burke and Wills expedition and a period of development in Australia.

That period of development was somewhat funded by a mining boom that occurred in the 1860s that helped fund the Burke and Wills expedition directly. Then, subsequently, people
moved up north and developed new towns and cities. We have just gone through a mining boom ourselves—albeit we have not been left with the resources to develop as we should have been—and we should be using the legacy of that boom to lock in and strengthen the development of northern Australia, particularly its towns and cities.

I applaud the government for bringing on a northern Australia agenda for developing a northern Australia white paper and I hope that it delivers something that is going to attract young people away from our major cities to new frontiers and opportunities in our nation. We cannot force—and I do not want to force—people to leave Sydney, Melbourne or Brisbane but we should try and encourage them to do so by creating new jobs and opportunities. We should do this by building on our great strengths in agriculture in the north, in particular through the development of dams, better road networks for our beef sector—all of these things that create jobs will attract people. That will attract more people, take the pressure off our capital cities and spur development in new towns and cities.

What we need to do in this country, quite clearly, is to engage in some form of arbitrage between our major capital cities and our regional towns and centres. When you are approaching a million dollars for a house in Sydney and only $300,000 in a regional centre, surely the right policy solution is to encourage more people to sell their house for a million dollars in Sydney and buy a house for $300,000 in a regional town or centre. That will be better for our economy. It will be a more efficient distribution of our population and save young people costs. They are not going to move, though, if there are not the jobs, opportunities and development that would exist in those towns and centres, and that is what we need to spur and create. I very much hope we do do that in the development of our northern Australia policy.

It is not just our agricultural sector. We have three very good universities in the north: James Cook University in Townsville; Central Queensland University, which is based in Rockhampton but has campuses all over the place; and Charles Darwin University. All of those universities have a role to play in developing the north. The government has already announced that they will house a tropical medicine unit at James Cook University, and I also hope that education is a major focus of the northern Australian white paper, because there are enormous opportunities in the north. A lot of research is done there on the Great Barrier Reef and in other areas, and more needs to be done.

I think that, if you want to get cheaper houses in Australia, our solution must be regional development. If we are serious about regional development, northern Australia is the frontier for this country. We should have a forensic focus on that—not just for the next term of government, not just for the next five, 10 or 20 years, but a decade-long plan to develop the north of our country and spread our prosperity and population all over this great land.

**Senate adjourned at 22:29**

**DOCUMENTS**

**Tabling**

The following documents were tabled by the Clerk:

*L*egis*lativ*e 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.*

*Agricultural and Veterinary Chemicals Code Act 1994—*
Agricultural and Veterinary Chemicals Code Instrument No. 4 (MRL Standard) Amendment Instrument 2015 (No. 4) [F2015L00706].


Australian Prudential Regulation Authority Act 1998—
Australian Prudential Regulation Authority (confidentiality) determinations—
No. 6 of 2015 [F2015L00701].
No. 7 of 2015 [F2015L00714].
No. 8 of 2015 [F2015L00700].
No. 9 of 2015 [F2015L00734].

Australian Prudential Regulation Authority instrument fixing charges—No. 2 of 2015 [F2015L00795].


Australian Research Council Act 2001—
Approval of Industrial Transformation Research Hubs Proposals for funding commencing in 2014—Determination No. 136.
Approval of Industrial Transformation Training Centres Proposals for funding commencing in 2015—Determination No. 135.
Funding Rules for schemes under the Linkage Program for the year 2017—ARC Centres of Excellence [F2015L00792].


Banking Act 1959—
Bankruptcy Act 1966—Bankruptcy (Fees and Remuneration) Determination 2015 [F2015L00680].

Civil Aviation Act 1988—
Civil Aviation Order 100.5 and Civil Aviation Safety Regulations 1998—Exemption—recording time-in-service; Determination—non-application of part of CAO 100.5—CASA EX90/15 [F2015L00742].

Civil Aviation Regulations 1988—
Civil Aviation Order 104.0 Amendment Instrument 2015 (No. 2) [F2015L00775].
Civil Aviation Order Repeal Instrument 2015 (No. 1) [F2015L00689].
Direction—number of cabin attendants (Capiteq Limited)—CASA 68/15 [F2015L00756].

Direction—number of cabin attendants for Airbus A320 and Fokker F100 aircraft (Virgin Australia Regional Airlines)—CASA 61/15 [F2015L00746].

Direction—number of cabin attendants—Jetstar Airways—CASA 59/15 [F2015L00748].
Direction—number of cabin attendants (National Jet Express)—CASA 63/15 [F2015L00747].
Direction—number of cabin attendants (Sunstate Airlines)—CASA 64/15 [F2015L00754].

Civil Aviation Regulations 1988 and Civil Aviation Safety Regulations 1998—Authorisation—to carry out maintenance on WHR aircraft; Exemption—to allow supervision of maintenance on WHR aircraft—CASA EX75/15 [F2015L00744].

Civil Aviation Safety Regulations 1998—
Approval—to conduct flight tests for, and to grant, sling operation endorsements and winch and rappelling operation endorsements—CASA 47/15 [F2015L00712].

Exemption—from certain low-level rating requirements—CASA EX92/15 [F2015L00741].
Exemption from paragraph 61.115 (a)—dual flight checks before solo flights—CASA EX78/15 [F2015L00711].

Exemption—operation of UAV at night and near people (Sydney Vivid Festival)—CASA EX85/15 [F2015L00754].
Exemption—requirements for authorised release certificate—CASA EX87/15 [F2015L00745].
Exemption—solo flight training using ultralight aeroplanes registered with the RAA at Archerfield Aerodrome—CASA EX80/15 [F2015L00688].

Prescription—type ratings for CASR Part 142 flight training (Edition 1) Amendment Instrument 2015 (No. 1) [F2015L00705].

Repeal of Airworthiness Directives—
CASA ADCX 006/15 [F2015L00739].
CASA ADCX 007/15 [F2015L00743].

Stabilator Spar and Attachment Brackets—AD/ROBIN/21 Amdt 3 [F2015L00782].


Commissioner of Taxation—Public Rulings—
Luxury Car Tax Determination LCTD 2015/1.
Taxation Determination TD 2015/11.

Corporations Act 2001—

CHAMBER
ASIC Corporations (Amendment) Instrument 2015/455 [F2015L00724].
ASIC Corporations (Externally-Administered Bodies) Instrument 2015/251 [F2015L00737].
ASIC Corporations (Repeal) Instrument 2015/275 [F2015L00736].

Defence Act 1903—Section 58B—
Housing – amendment—Defence Determination 2015/22.


Do Not Call Register Act 2006—Do Not Call Register (Administration and Operation) Amendment Determination 2015 (No. 1) [F2015L00673].


Environment Protection and Biodiversity Conservation Act 1999—
Amendment of List of Exempt Native Specimens – Queensland East Coast Trochus Fishery (25 May 2015)—EPBC303DC/SFS/2015/19 [F2015L00779].
Amendment of List of Exempt Native Specimens – South Australia Lakes and Coorong Fishery (5 May 2015)—EPBC303DC/SFS/2015/14 [F2015L00707].
Amendment of List of Exempt Native Specimens – South Australian Beach-Cast Marine Algae Fishery (3 June 2015)—EPBC303DC/SFS/2015/18 [F2015L00796].
Amendment of List of Exempt Native Specimens – South Australian Scallop and Turbo Fisheries (5 May 2015)—EPBC303DC/SFS/2015/15 [F2015L00684].
Amendment of List of Exempt Native Specimens – Western Australian Specimen Shell Managed Fishery and South Australian Specimen Shell Fishery (14 May 2015)—EPBC303DC/SFS/2015/16 [F2015L00702].
Amendment of List of Exempt Native Specimens – Western Australian West Coast Rock Lobster Managed Fishery (25 May 2015)—EPBC303DC/SFS/2015/17 [F2015L00735].
Amendment to the lists of threatened species, threatened ecological communities and key threatening processes under sections 178, 181 and 183 (173) (11 May 2015) [F2015L00710].
Amendment to the lists of threatened species, threatened ecological communities and key threatening processes under sections 178, 181 and 183 (177) (14 May 2015) [F2015L00725].


Fisheries Management Act 1991 —
E-Monitoring (Eastern Tuna and Billfish Fishery) Direction 2015 [F2015L00695].
E-Monitoring (Eastern Tuna and Billfish Fishery) Direction 2015 No. 2 [F2015L00732].
E-Monitoring (Southern and Eastern Scalefish and Shark Fishery) Direction 2015 [F2015L00731].
E-Monitoring (Western Tuna and Billfish Fishery) Direction 2015 [F2015L00733].
Southern and Eastern Scalefish and Shark Fishery (Closures) Direction No. 2 2015 [F2015L00730].


Great Barrier Reef Marine Park Act 1975 —
Great Barrier Reef Marine Park Amendment (Capital Dredge Spoil Dumping) Regulation 2015 — Select Legislative Instrument 2015 No. 71 [F2015L00766].

Health Insurance Act 1973 —
Declaration of Quality Assurance Activities under section 124X—QAA 1/2015 [F2015L00718].
Declarations of Quality Assurance Activity under section 124X—
QAA 2/2015 [F2015L00716].
QAA 3/2015 [F2015L00717].
QAA 4/2015 [F2015L00719].

Higher Education Support Act 2003 — VET Provider Approvals —
No. 5 of 2015 [F2015L00672].
No. 12 of 2015 [F2015L00788].


Lands Acquisition Act 1989—Declaration under section 41—8 April 2015.

Migration Act 1958—Migration Regulations 1994—
  Class of Persons (Emergency Services) 2015—IMMI 15/081 [F2015L00698].
  Class of Persons (Netball World Cup) 2015—
    IMMI 15/027 [F2015L00696].
    IMMI 15/049 [F2015L00697].
  Classes of Persons 2015—IMMI 15/026 [F2015L00708].
  Transit Passengers Who Are Eligible For A Special Purpose Visa 2015—IMMI 15/057 [F2015L00790].

National Health Act 1953—
  National Health Determination under paragraph 98C(1)(b) Amendment 2015 (No. 5)—PB 49 of 2015 [F2015L00764].
  National Health (Efficient Funding of Chemotherapy) Special Arrangement Amendment Instrument 2015 (No. 5)—PB 51 of 2015 [F2015L00769].
  National Health (Highly specialised drugs program for hospitals) Special Arrangement Amendment Instrument 2015 (No. 6)—PB 50 of 2015 [F2015L00770].
  National Health (Immunisation Program – Designated Vaccines) Variation Determination 2015 (No. 1) [F2015L00715].
  National Health (Listed drugs on F1 or F2) Amendment Determination 2015 (No. 4)—PB 52 of 2015 [F2015L00755].
  National Health (Listing of Pharmaceutical Benefits) Amendment Instrument 2015 (No. 5)—PB 47 of 2015 [F2015L00762].
  National Health (Price and Special Patient Contribution) Amendment Determination 2015 (No. 4)—PB 48 of 2015 [F2015L00763].


Ozone Protection and Synthetic Greenhouse Gas Management Act 1989—Grant of exemptions under section 40—
  Bristow Helicopters Australia Pty Ltd—No. S40E45920314.
  Lloyd Helicopters Pty Ltd—No. S40E76411019.
  Shortstop Jet Charter Pty Ltd—No. S40E74484475.


Private Health Insurance Act 2007—Private Health Insurance (Registration) Amendment Rules 2015 (No. 1) [F2015L00765].

Public Governance, Performance and Accountability Act 2013—
  Commonwealth has acquired shares in Moorebank Intermodal Company Limited—3 June 2015.
PGPA Act (AGS Client Funds Special Account 2015 – Establishment) Determination 2015/03 [F2015L00675].
Public Service Act 1999—Non-SES employees – amendment of determination of 18 September 2013 (No. 3) [F2015L00758].
Radiocommunications Act 1992—
Radiocommunications Advisory Guidelines (Managing Interference from Apparatus-licensed and
Class-licensed Transmitters – 2 GHz Band) 2015 [F2015L00722].
Radiocommunications Advisory Guidelines (Managing Interference from Spectrum Licensed
Transmitters — 3.4 GHz Band) 2015 [F2015L00728].
Radiocommunications Advisory Guidelines (Managing Interference to Spectrum Licensed Receivers
— 3.4 GHz Band) 2015 [F2015L00729].
Radiocommunications Advisory Guidelines (Protection of Apparatus-licensed and Class-licensed
Receivers — 2 GHz Band) 2015 [F2015L00721].
Radiocommunications (Digital Radio Channels — Western Australia) Plan Variation 2015 (No. 1)
[F2015L00674].
Radiocommunications (Spectrum Access Charges — 3.4 GHz Band) Determination 2015 (No. 1)
[F2015L00690].
Radiocommunications (Spectrum Licence Limits—Regional 1800 MHz Band) Direction 2015
[F2015L00752].
Radiocommunications (Spectrum Re-allocation—Regional 1800 MHz Band) Declaration 2015
[F2015L00753].
Radiocommunications (Trading Rules for Spectrum Licences) Amendment Determination 2015 (No.
1) [F2015L00726].
Radiocommunications (Unacceptable Levels of Interference — 2 GHz Band) Determination 2015
[F2015L00723].
Radiocommunications (Unacceptable Levels of Interference — 3.4 GHz Band) Determination 2015
[F2015L00727].
Remuneration Tribunal Act 1973—
Judicial and Related Offices — Remuneration and Allowances—Remuneration Tribunal
Determination 2015/05 [F2015L00687].
Members of Parliament – Base Salary, Additional Salary for Parliamentary Office Holders, and
Related Matters—Remuneration Tribunal Determination 2015/06 [F2015L00686].
Remuneration and Allowances for Holders of Full-Time Public Office—Remuneration Tribunal
Determination 2015/07 [F2015L00685].
Remuneration and Allowances for Holders of Part-Time Public Office—Remuneration Tribunal
Determination 2015/08 [F2015L00683].
Specified Statutory Offices – Remuneration and Allowances—Remuneration Tribunal
Determination 2015/03 [F2015L00681].
Social Security Act 1991—
Social Security (Disaster Recovery Allowance) (Prescribed payments) Determination 2015 [F2015L00677].

Social Security (Exempt Lump Sum) (South Australian River Murray Sustainability Irrigation Industry Improvement Program) (Agriculture) Determination 2015 [F2015L00757].


Superannuation Act 1990—


Taxation Administration Act 1953—

Lodgment of account activity statements by First Home Saver Account providers for the year ended 30 June 2015 in accordance with the Taxation Administration Act 1953 [F2015L00783].

Withholding Schedules 2015 [F2015L00750].

Therapeutic Goods Act 1989—

Medicines Advisory Statements Amendment Specification 2015 (No. 1) [F2015L00699].

Poisons Standard June 2015 [F2015L00749].


Tabling

The following documents were tabled pursuant to standing order 61(1)(b):

[Documents presented since the last sitting of the Senate, pursuant to standing order 166, were authorised for publication on the dates indicated]

Albury-Wodonga Development Corporation—Report for the period 1 July to 31 December 2014 [Final report].

Auditor-General—Audit reports for 2014-15—

No. 37—Performance audit—Management of Smart Centres' Centrelink telephone services: Department of Human Services. [Received 19 May 2015]

No. 38—Performance audit—Administration of enforceable undertakings: Australian Securities and Investments Commission.

No. 39—Performance audit—Promoting compliance with superannuation guarantee obligations: Australian Taxation Office.

No. 40—Performance audit—Transport services for veterans: Department of Veterans' Affairs.

No. 41—Performance audit—The award of funding under the Safer Streets Programme: Attorney-General's Department.
No. 42—Performance audit—Administration of travel entitlements provided to parliamentarians: Department of Finance.

No. 43—Performance audit—Managing Australian aid to Vanuatu: Department of Foreign Affairs and Trade. [Received 5 June 2015]

No. 44—Financial statement audit—Interim phase of the audits of the financial statements of major general government sector entities for the year ending 30 June 2015. [Received 5 June 2015]

No. 45—Performance audit—Central administration of security vetting: Department of Defence. [Received 9 June 2015]

No. 46—Performance audit—Administration of the Australian Childhood Immunisation Register: Department of Human Services. [Received 9 June 2015]

No. 47—Performance audit—Verifying identity in the citizenship program: Department of Immigration and Border Protection. [Received 10 June 2015]

No. 48—Performance audit—Limited tender procurement: Australian Customs and Border Protection Service; Department of Foreign Affairs and Trade; Department of Human Services. [Received 10 June 2015]

No. 49—Performance audit—Administration of the Imported Food Inspection Scheme: Department of Agriculture. [Received 10 June 2015]

No. 50—Performance audit—Administration of the Defence Home Ownership Assistance Scheme: Department of Defence; Department of Veterans' Affairs. [Received 10 June 2015]

Australian Electoral Commission (AEC)—2014 Western Australian Senate election—Funding and disclosure report, dated January 2015. [Received 5 June 2015]


Australian Law Reform Commission—Report No. 126—Connection to country: Review of the Native Title Act 1993 (Cth)—

Final report, dated April 2015.

Summary report, dated April 2015.

Australian River Co. Limited—Report for the period 1 December 2013 to 30 November 2014.

Australian Government response to the senate Community Affairs References Committee inquiry Report into the Impacts on health of air quality in Australia May 2015

Context
On 28 November 2012 the Senate referred an inquiry on the impacts on health of air quality in Australia to the Standing Committee on Community Affairs (the committee) for inquiry and report. The Terms of Reference for the committee were:

The impacts on health of air quality in Australia, including:
(a) particulate matter, its sources and effects
(b) those populations most at risk and the causes that put those populations at risk
(c) the standards, monitoring and regulation of air quality at all levels of government
(d) any other related matters.

The Senate Community Affairs References Committee tabled its report Impacts on health of air quality in Australia on 16 August 2013. The report outlines 13 recommendations with a focus on air quality standards, health impacts, monitoring, and reducing population exposure to pollution including emissions from sources such as coal dust, wood heaters and diesel engines.
Introduction
The Australian Government (Commonwealth) welcomes the opportunity to respond to the report by the Senate Community Affairs References Committee on the *Impacts on health of air quality in Australia* (the report), tabled on 16 August 2013.

In relation to air quality, the Commonwealth sets national ambient (outdoor) air quality standards in partnership with the states and territories through the National Environment Protection Council (NEPC) under the *National Environment Protection Council Act 1994* (the Act). Responsibility for implementing the air quality standards lies with the states and territories through their laws and other arrangements. Other national legislation including the *Motor Vehicle Standards Act 1989* and the *Fuel Quality Standards Act 2000* targets air quality issues by setting emission standards and, where required, providing for fuel quality to support these standards, respectively.

In 1998, the National Environment Protection (Ambient Air Quality) Measure (AAQ NEPM) was made under the Act and set national ambient air quality standards, monitoring protocols and reporting requirements for six priority pollutants - carbon monoxide, nitrogen dioxide, sulfur dioxide, ozone, lead and coarse particulate matter with an aerodynamic diameter of less than 10 micrometres (PM$_{10}$). In 2003, the AAQ NEPM was varied to set monitoring protocols and advisory reporting standards for fine particulate matter (PM$_{2.5}$), reflecting growing concern over links between increases in PM$_{2.5}$ levels and mortality and morbidity associated with respiratory and cardiovascular disease. On 29 April 2014, Environment Ministers announced a proposed variation to the AAQ NEPM to further strengthen the particle standards in line with the latest scientific health evidence.

The *State of the Air in Australia 1999-2008* report, published in 2010, found that urban air levels of carbon monoxide, nitrogen dioxide, sulfur dioxide and lead had all declined to levels significantly below the national air quality standards. These improvements are largely due to better standards introduced for fuel quality and motor vehicle emissions. However, ozone and particulate matter levels did not decrease during the assessment period, with ozone levels approaching or exceeding the national standards in some cities, and peak particulate matter levels frequently exceeding the national standards in nearly all metropolitan areas.

There are challenges to Australia’s future air quality, mainly driven by population growth, urbanisation and industrial growth, and the associated increases in transport demand and energy consumption. New health outcomes for air pollutants are also being recognised—outdoor air pollution, diesel exhaust emissions (which includes particulate matter) and particulate matter itself have recently been classified as carcinogenic by the International Agency for Research on Cancer.

Additionally, recent evidence has indicated that there are no thresholds below which adverse health effects are not observed for some pollutants, including particulate matter. Thus, individuals, particularly sensitive individuals (children, the elderly and those with cardio and respiratory disease), may be affected even when the current standards are being met. Actions that afford any reductions in air pollution may therefore have a population health benefit where there are no thresholds for adverse health effects (and associated economic benefits).

On 29 April 2014, Commonwealth and state and territory government Environment Ministers met in Canberra to progress key environment issues of national significance. Ministers recognised that while, by world standards, Australia has very clean air, there are ongoing challenges and that governments, business and the community will need to be active to ensure a clean air future.

Ministers therefore agreed to consider working towards a National Clean Air Agreement (Agreement) and initiated work to identify strategic priorities and approaches as a basis for an Agreement. The Commonwealth's deregulation agenda, which aims to reduce the regulatory burden for individuals, businesses and community organisations, will ensure that the appropriate policy settings to address air quality are considered, with regulation only adopted as a last resort. This may require rigorous
assessment through a cost-benefit analysis to ascertain whether any anticipated economic benefits outweigh the additional regulatory costs.

The Commonwealth is working with state and territory jurisdictions towards developing a National Clean Air Agreement.

**Response to Recommendations**

**Recommendation 1**

3.21 The committee recommends that the Australian Government’s representative to the Standing Council on Environment and Water support the adoption of the 23 recommendations of the Ambient Air Quality NEPM Review.

**Commonwealth Position:** Noted

Variation to a NEPM requires a decision to be made by the National Environment Protection Council (NEPC) and statutory requirements under the *National Environment Protection Council Act 1994* (the Act) must be followed. These requirements include taking into account general considerations such as the environmental, economic and social impact of any variation. Public consultation on any proposed variation is also required under the Act, and the NEPC must have regard to submissions received in making its decision to vary the NEPM. The Commonwealth cannot vary a NEPM unilaterally.

The Minister for the Environment will consider the evidence in conjunction with the NEPC ministers in making a decision to support the recommendations of the review of the National Environment Protection (Ambient Air Quality) Measure. On 29 April 2014, Environment Ministers signalled their intention to vary the National Environment Protection (Ambient Air Quality) Measure standards for particles, reflecting the latest scientific understanding on health risks arising from particle pollution. The proposed variation will seek to establish more stringent reporting standards for particle pollution ($\text{PM}_{2.5}$ and $\text{PM}_{10}$). An Impact Statement on the proposed variation was released for public consultation in July 2014 and submissions are now being considered.

**Recommendation 2**

3.34 The committee recommends that the Australian Government advocate, through the appropriate Council of Australian Governments process, the inclusion of mechanisms to collect additional data on ultrafine particles.

**Commonwealth Position:** Noted

The Commonwealth notes the recommendation by the committee which relates to issues currently under consideration in developing a National Clean Air Agreement.

**Recommendation 3**

3.42 The committee recommends that buffer zones be used to protect populated areas from large point-source emitters.

**Commonwealth Position:** Noted

This is a land-use planning matter for state and territory jurisdictions.

**Recommendation 4**

3.67 The committee recommends that pollution monitoring should accurately capture population exposure for communities and homes proximate to pollution point sources.

**Commonwealth Position:** Noted

The Commonwealth notes the recommendation by the committee which relates to issues currently under consideration by jurisdictions in addressing the recommendations of the review of the National Environment Protection (Ambient Air Quality) Measure.
Recommendation 5

3.68 The committee recommends that providing monitoring and real-time data of air quality be a condition of environmental approvals issued by the Australian Government unless an operator can demonstrate that air pollution created by the development will not impact upon human health.

Commonwealth Position: Noted

The protection of the air quality of populated areas is generally the responsibility of state and territory jurisdictions.

Under national environmental law, the Environment Protection and Biodiversity Conservation Act 1999, the Australian Government is responsible for protection of matters of national environmental significance. Where air quality is likely to significantly impact upon a matter of national environmental significance as a result of a proposed action, the Minister may impose conditions of approval that require monitoring of air quality if it is necessary and convenient for the protection of the relevant matter. The Minister for the Environment cannot place conditions relating to air pollution on an environmental approval where the pollution does not have an impact on a matter of national environmental significance.

Recommendation 6

4.50 The committee recommends that states and territories require industry to implement covers on all coal wagon fleets.

Commonwealth Position: Noted

Regulation relating to rolling stock, including the possible covering of coal wagons, is a decision for state and territory governments and their environmental authorities.

Recommendation 7

4.51 The committee recommends that the Commonwealth develop and implement a process for assessing cumulative impacts of coal mine developments that take into account other mines in the region and their impact on resident health.

Commonwealth Position: Noted

Considerations of impacts on human health that may arise from coal mine developments are the responsibility of the state and territory jurisdictions.

Under the Environment Protection and Biodiversity Conservation Act 1999, the Australian Government is responsible for protection of matters of national environmental significance. Actions, including coal mine developments, which have a significant impact on a matter of national environmental significance, require the approval of the Minister for the Environment. In order to assess the significance of particular impacts, the Minister may need to consider the cumulative impacts of a proposed action. Where air quality is likely to significantly impact upon a matter of national environmental significance as a result of a proposed action, the Minister may impose conditions of approval that require monitoring of air quality if it is necessary and convenient for the protection of the relevant matter.

Recommendation 8

4.52 The committee recommends that health impact assessments be required as part of the assessment process for all new developments.

Commonwealth Position: Noted

Assessing the impacts of new developments on human health is the responsibility of state and territory jurisdictions.

The Australian Government is responsible for protection of matters of national environmental significance under the Environment Protection and Biodiversity Conservation Act 1999 (the Act).
Where a new development application is referred to the Australian Government for assessment under the Act, the Minister for the Environment only considers matters of national environmental significance as specified under the Act.

**Recommendation 9**

5.6 The committee recommends that Safe Work Australia undertake research regarding the exposure of workers in the hospitality, transport and mining industry to diesel emissions.

**Commonwealth Position: Noted**

Safe Work Australia advises that the need for research on occupational exposure to diesel exhaust emissions is supported, although work is required to verify which occupational groups should be studied. Safe Work Australia will consider the views of its Members and if agreed will undertake research in this area. Any new research in this area would complement and build on research currently being undertaken by Safe Work Australia including the development of a diesel exhaust emissions fact sheet and consideration of the inclusion of exposure to carcinogenic combustion products, including diesel exhaust emissions, as a case study in a future Guide for Managing the Risk of Carcinogens at Work.

**Recommendation 10**

5.31 The committee recommends that the Commonwealth develop a national emissions standard for diesel engines.

**Commonwealth Position: Noted**

In Australia, on-road vehicle emissions are regulated through the Australian Design Rules (ADRs) established under the *Motor Vehicle Standards Act 1989*. The current ADRs reflect Australia’s commitment to harmonise with the vehicle emissions standards developed by the United Nations Economic Commission for Europe wherever possible, taking into account local conditions.

In November 2013, ADR 79/03, which implements the first stage of the Euro 5 emission standards for on-road light vehicles including diesel vehicles, commenced in Australia for new model vehicles. ADR 79/04, which will implement the full Euro 5 emission standards for on-road light vehicles, will apply to all new vehicles manufactured from 1 November 2016.

The current emission standard for on-road heavy vehicles is ADR 80/03, which applies to all new heavy vehicles manufactured from 1 January 2011. The Australian Government is currently undertaking a review to consider whether Australia should adopt a new ADR 80/04 based on the Euro 6 emission standards for heavy vehicles which commenced in the European Union from the end of 2012.

The effective operation of vehicle emission standards depends upon the availability of fuel that meets particular quality requirements. The *Fuel Quality Standards Act 2000* provides the legislative basis for national fuel quality and fuel quality information standards in Australia. Fuel quality standards are periodically reviewed to support the introduction of new vehicle emission standards. Under this legislation, the Fuel Standard (Automotive Diesel) Determination 2001 provides for diesel fuel quality that supports the ADRs for diesel vehicle emissions.

National decisions on managing emissions from non-road diesel engines would follow Australian Government processes, including a regulation impact analysis and public consultation.

**Recommendation 11**

5.32 The committee recommends that the Commonwealth implement a national emissions standard for small non-road engines equivalent to the US EPA standards.

**Commonwealth Position: Noted**

The Commonwealth notes the recommendation by the committee which relates to issues currently under consideration in developing a National Clean Air Agreement.
A Decision Regulation Impact Statement to consider options to manage emissions from non-road spark ignition engines and equipment (such as powered garden equipment and marine engines) is under development and is expected to be finalised later this year.

**Recommendation 12**

6.43 The committee recommends that Australian Governments immediately adopt minimum efficiency and maximum emission standards for all newly installed wood heaters in Australia.

**Commonwealth Position:** Noted

The Commonwealth notes the recommendation by the committee which relates to issues currently under consideration by jurisdictions in developing a National Clean Air Agreement.

On 11 April 2013 the former COAG Standing Council on Environment and Water released a Consultation Regulation Impact Statement exploring nine options to reduce emissions from wood heaters. These nine options related to consideration of both design or performance standards for new wood heaters and measures influencing the in-service operational performance of wood heaters.

The public consultation period closed on 15 July 2013. A Decision Regulation Impact Statement to consider options to manage emissions from wood heaters is now under development and is expected to be finalised later this year.

In parallel to the regulatory impact analysis process, Standards Australia initiated a process to strengthen emissions and efficiency standards for new wood heaters. This process has now concluded with new emissions and energy efficiency standards published on 8 August 2014. The new standards will come into effect from August 2015.

**Recommendation 13**

6.44 The committee recommends that local councils continue to manage the use of wood heaters in their own jurisdictions through the use of bans, buy-backs, minimum efficiency standards, and other mechanisms as appropriate to protect the health of their local communities.

**Commonwealth Position:** Noted

This is a matter for local councils.

Departmental and agency appointments and vacancies—Additional estimates—Letters of advice pursuant to the order of the Senate of 24 June 2008—

- Attorney-General's portfolio. [Received 29 May 2015]
- Agriculture portfolio. [Received 18 May 2015]
- Department of Human Services. [Received 15 May 2015]
- Department of the Prime Minister and Cabinet. [Received 20 May 2015]
- Department of Veterans' Affairs. [Received 20 May 2015]
- Education and Training portfolio. [Received 15 May 2015]
- Environment portfolio [2]. [Received 18 May 2015]
- Finance portfolio. [Received 20 May 2015]
- Foreign Affairs and Trade portfolio. [Received 20 May 2015]
- Health portfolio. [Received 18 May 2015]
- Immigration and Border Protection portfolio. [Received 15 May 2015]
- Indigenous Affairs. [Received 19 May 2015]
- Industry and Science portfolio. [Received 15 May 2015]
- Office for Women. [Received 27 May 2015]
- Social Services portfolio. [Received 18 May 2015]
Departmental and agency grants—Letters of advice pursuant to the order of the Senate of 24 June 2008—

Budget estimates 2014-15 (Supplementary)—Department of Agriculture. [Received 15 May 2015]

Budget estimates 2015-16—

Attorney-General’s portfolio. [Received 29 May 2015]

Australian Organ and Tissue Donation and Transplantation Authority. [Received 20 May 2015]

Cancer Australia. [Received 20 May 2015]

Department of Agriculture. [Received 15 May 2015]

Department of Education and Training. [Received 18 May 2015]

Department of Employment. [Received 10 June 2015]

Department of Health. [Received 20 May 2015]

Department of Human Services. [Received 15 May 2015]

Department of the Prime Minister and Cabinet. [Received 20 May 2015]

Department of Veterans’ Affairs. [Received 20 May 2015]

Finance portfolio. [Received 20 May 2015]

Foreign Affairs and Trade portfolio. [Received 20 May 2015]

Immigration and Border Protection portfolio. [Received 15 May 2015]

Indigenous Affairs. [Received 19 May 2015]

Industry and Science portfolio [2]. [Received 15 May and 2 June 2015]

National Health and Medical Research Council. [Received 20 May 2015]

Office for Women. [Received 27 May 2015]

Social Services portfolio. [Received 18 May 2015]

Environment—Protection of cetaceans—Letter to the President of the Senate from the Minister for the Environment (Mr Hunt), dated 2 June 2015, responding to the resolution of the Senate of 14 May 2015.

Estimates hearings—Unanswered questions on notice—Additional estimates 2014-15—Statements pursuant to the order of the Senate of 25 June 2014—

Australian Centre for International Agricultural Research. [Received 5 June 2015]

Australian Trade Commission. [Received 15 May 2015]

Department of Defence. [Received 15 May 2015]

Department of Human Services. [Received 19 May 2015]

Department of Social Services. [Received 18 May 2015]

Department of Veterans’ Affairs. [Received 15 May 2015]

Education and Training portfolio. [Received 15 May 2015]

Foreign Affairs and Trade portfolio. [Received 20 May 2015]

Health portfolio. [Received 28 May 2015]

Immigration and Border Protection portfolio. [Received 20 May 2015]

Infrastructure and Development portfolio. [Received 15 May 2015]

Special Minister of State. [Received 26 May 2015]

Treasury portfolio. [Received 3 June 2015]
Estimates of proposed expenditure for 2015-16—Portfolio budget statements—Portfolios and executive
departments—Social Services portfolio—Corrigendum. [Received 10 June 2015]

Health—Mental health services—Funding—Letter to the President of the Senate from the Minister for
Health (Ms Ley), dated 26 May 2015, responding to the resolution of the Senate of 18 March 2015.

Institutional Responses to Child Sexual Abuse—Royal Commission—Report of case study no. 9—The
responses of the Catholic Archdiocese of Adelaide, and the South Australian Police, to allegations of
child sexual abuse at St Ann's Special School, dated May 2015.

Migration Act 1958—Section 486O—Assessment of detention ar
rangements—

Personal identifiers 1001078, 1001450, 1001572, 1001665, 1001705, 1001708, 1001722, 1001740,
1001742, 1001745, 1001806, 1001822, 1001827, 1001900, 1001913, 1001925, 1001928,
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1002087, 1002092, 1002096, 1002098, 1002124, 1002143, 1002165, 1002191, 1002194 and
1002244—


Personal identifiers 1001502, 1001619, 1001630, 1001677, 1001678, 1001720, 1001725, 1001726,
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1002112, 1002121, 1002145, 1002177, 1002213, 1002226, 1002241, 1002261, 1002294 and
1002303—

Commonwealth Ombudsman's reports, dated 3 June 2015.


National Health and Medical Research Council—Minor amendments to the national statement on

Surveillance Devices Act 2004—Commonwealth Ombudsman's report on inspections of surveillance
device records for the period 1 July to 31 December 2013—Australian Commission for Law
Enforcement Integrity, Australian Crime Commission and Australian Federal Police.

Sydney Airport Demand Management Act 1997—Quarterly report on the maximum movement limit for
Sydney Airport for the period 1 January to 31 March 2015.

COMMITTEES

Report

The following reports and documents were presented and authorised for publication on the
dates indicated pursuant to standing order 38(7)(a):

Appropriations, Staffing and Security—Standing Committee—57th report—Estimates for the
Department of the Senate 2015-16, dated May 2015. [Received 10 June 2015]

Economics Legislation Committee—Reserve Bank Amendment (Australian Reconstruction and
Development Board) Bill 2013—Additional information. [Received 25 May 2015]

Education and Employment References Committee—Operation, regulation and funding of private
vocational education and training (VET) providers in Australia—

Second interim report, dated June 2015. [Received 5 June 2015]

Additional comments by Government senators. [Received 10 June 2015]

Environment and Communications Legislation Committee—

Communications Legislation Amendment (SBS Advertising Flexibility and Other Measures) Bill 2015 [Provisions]—Report, dated May 2015, Hansard record of proceedings, additional information and submissions. [Received 29 May 2015]

Environment and Communications References Committee—Performance and management of electricity network companies—Report, dated June 2015, Hansard record of proceedings, additional information and submission. [Received 5 June 2015]

Legal and Constitutional Affairs Legislation Committee—
Copyright Amendment (Online Infringement) Bill 2015 [Provisions]—
   Interim report, dated 26 May 2015. [Received 29 May 2015]
   2630 No. 95—15 June 2015
   Interim report, dated 9 June 2015. [Received 9 June 2015]
   Report, dated June 2015, Hansard record of proceedings, additional information and submissions. [Received 11 June 2015]

Migration Amendment (Maintaining the Good Order of Immigration Detention Facilities) Bill 2015 [Provisions]—Report, dated June 2015, Hansard record of proceedings, documents presented to the committee, additional information and submissions. [Received 5 June 2015]

Migration Amendment (Strengthening Biometrics Integrity) Bill 2015 [Provisions]—Report, dated June 2015, Hansard record of proceedings, documents presented to the committee, additional information and submissions. [Received 5 June 2015]

Recent Allegations relating to Conditions and Circumstances at the Regional Processing Centre in Nauru—Select Committee—Interim report, dated 12 June 2015. [Received 12 June 2015]

Rural and Regional Affairs and Transport Legislation Committee—Criminal Code Amendment (Animal Protection) Bill 2015—
   Interim report, dated 29 May 2015. [Received 29 May 2015]
   Report, dated June 2015, Hansard record of proceedings, additional information and submissions. [Received 12 June 2015]

Rural and Regional Affairs and Transport References Committee—Grain export networks, including the on- and off-farm storage, transport, handling and export of Australian grain—Report, dated June 2015, Hansard record of proceedings, document presented to the committee, additional information and submissions. [Received 4 June 2015]